

AFTER MAXWELL: FUTURE OF THE EMPIRE



Kevin Maxwell, the youngest son, who was confirmed yesterday as MCC chairman

Shares restart trading today as sons fight to fend off possible run

By ANGELA MACKAY

SHARES in Maxwell Communication Corporation and Mirror Group Newspapers will recommence trading this morning after a one-and-a-half day suspension triggered initially by Robert Maxwell's disappearance at sea and later by news of his death.

Kevin Maxwell, Mr Maxwell's youngest son and the new chairman of MCC, said last night that a full statement would be made before the opening of trade. He assured employees and shareholders last night that the companies were robust and needed no new financing agreements. He added that reports of crisis meetings throughout the day with bankers had been exaggerated.

Shares remained suspended on the stock exchange yesterday at the

THE HEIRS

request of the companies as executives and advisers worked to shore up bank support after Mr Maxwell's death and to enable the heavily indebted companies to consult their financial advisers, Samuel Montagu and Rothschild.

Kevin Maxwell spent the afternoon talking to bankers to try to fend off a possible run on the shares if they were required. Executives are concerned that those banks and brokers who have taken shares in the listed companies as collateral against loans to private Maxwell companies, may sell the shares as soon as they recommence trading.

That could push the shares sharply lower and breach loan covenants with other banks. Estimates of the debts within both the private and

public Maxwell companies exceed £2 billion despite asset sales of almost £1 billion this year.

When they were suspended, shares in both companies were at their low for the year. Moreover, MCC ceased trading at 121p, down 18p on the day after the American investment bank, Goldman Sachs, sold part of its stake which it had acquired as collateral. The stock exchange said it was making routine enquiries into such a sharp fall.

Kevin and his brother Ian were confirmed as chairmen of the two listed companies at board meetings yesterday after they were appointed acting chairmen immediately after their father's disappearance. Ian is chairman and publisher of Mirror Group Newspapers.

Kevin Maxwell is now chairman and chief executive of Maxwell Commu-

nication Corporation and assumes the chairmanship of all MCC subsidiaries previously held by Robert Maxwell. He was also appointed chairman of the New York Daily News. Peter Laister, already a non-executive director of MCC, was appointed deputy chairman.

Bankers said the MCC board must increase the number of non-executive directors as soon as possible to keep within general principles of corporate governance and throw open the company to outside scrutiny as never before.

Mr Maxwell's concern about keeping his personal finances away from public scrutiny is one of the reasons bankers are skittish. In Mr Maxwell's case, his family finances are inextricably bound to the financial make-up of the public companies. Family holding companies control 51 per cent of Mirror

Group and more than 60 per cent of MCC.

Stockbrokers consider that Mirror Group, which was floated earlier this year, should fare better than MCC when they are asked to be requested today because it was a good cash generative business. Mirror Group's debts stand at about £280 million but at the time of the float, Samuel Montagu said it had "ring-fenced" the new company to ensure its independence.

Strategically, it is likely the company's advisers will suggest the Maxwell brothers wind down their stake in Mirror Group and seek ways of selling more of MCC's assets in America. These include Macmillan, the publishers, Official Airline Guide, Berlitz and Que Software.

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Honoured grave prepared for survivor of the Holocaust

From RICHARD BEESTON IN JERUSALEM

ISRAEL

PREPARATIONS for Robert Maxwell's funeral in Jerusalem were under way yesterday. He is expected to be buried with full honours in a country which revered his business skills and appreciated his contributions to Israel.

Prominent figures throughout the Jewish state paid tribute to Mr Maxwell for political and financial support. Yitzhak Shamir, the prime minister, said he heard of his friend's death with great sorrow. "I knew him, especially in recent times, as a person who invested money in Israel and who put his wide contacts on the international arena at Israel's service."

Mr Maxwell's closest associate in Israel, Tommy Lapid, who represented his interests in Eastern Europe, said that the publisher became interested in Israel about six years ago, when he wanted to rediscover his Jewish roots,

which had remained largely neglected since he became an entrepreneur in the aftermath of the second world war. Mr Lapid denied that Mr Maxwell had links with Mossad but said he used his influence in Eastern Europe to help Jews and Israel, in particular after the Chernobyl nuclear accident, when he arranged for Jewish children to be treated in Israel against radiation poisoning, and later, through his close contacts with President Gorbachev, by paving the way for the mass immigration of Soviet Jews to Israel.

"I think when he passed 60 he started to look back on his life instead of ahead," said Mr Lapid, who is a senior editor on the Maxwell Hebrew daily newspaper *Maariv*. "Although he was not a religious man he was one of Israel's strongest supporters and I think if he had not died suddenly he wanted to spend his last days

in Israel."

Mr Lapid said Mr Maxwell had cried bitterly a few weeks ago on his first visit to Yad Vashem, the Israeli museum the commemorates the six million Holocaust victims, including the publisher's parents, who were seized by the Nazis in his native Czechoslovakia. "Maxwell was a folk hero in Israel," said Mr Lapid. "He was the prototype Holocaust survivor who made

Shamir: Maxwell put contacts at Israel's service

good, and Israelis looked up to him. Israel was the one place where his business involvement was a by-product of his emotional involvement."

Mr Maxwell's assets in Israel were recently valued at £250 million, mainly in publishing companies, but also in Jerusalem's two football clubs. After buying controlling interest in *Maariv*, the second largest newspaper in Israel, Maxwell bought substantial holdings in Scitex, a profitable computer-imaging equipment firm, the Maxwell-Macmillan-Keter publishing house and a stake in the Teva pharmaceutical company.

Mr Maxwell's former associates said arrangements were being made for a funeral on the Mount of Olives. The cemetery, which overlooks the walls of Jerusalem's old city, is considered Judaism's most important burial ground, because it is believed that those interred there will rise from their graves when the Messiah comes.

A long shadow cast over Holborn

By TIM JONES

AFTER the shock, the *Daily Mirror* became a rumour machine as journalists, secretaries and doormen speculated yesterday on life without Captain Bob.

In the executive restaurant, two secretaries who worked in Mr Maxwell's ninth-floor office cried. On the editorial floor, Richard Stott, the editor, tried to steady the ship. He took the morning editorial conference and listened as Stephen Lynas, his news editor, ran down the 16 stories on the list. Naturally, the Maxwell saga was the main item, while others, such as a tale

about dogs that watch television, suggested normality.

However, normality was superficial in Holborn Circus, because the big man was no longer there. Whether they loved, loathed or feared him, all were agreed that, for better or worse, The Publisher, as he insisted on being called, dominated their lives. They had joked when his helicopter landed on the roof that the ego had landed. Which other boss, they asked, drank coffee from a giant cup with the legend "I Am a Very Important Person"? And which other boss could invite, even in death, such intrigue and publicity?

At times, the dignity which *Mirror* executives tried to maintain threatened to disintegrate as newspaper journalists were evicted from the building to allow television reporters to have exclusive interviews. While mayhem threatened outside, board members inside appointed Kevin Maxwell as chairman of Maxwell Communications Corporation and his brother Ian as chairman and publisher of Mirror Group Newspapers.

One thing remained unchanged. At the entrance to the newspaper, the man who camps on the doorstep and whose mission is to have smoking banned could not resist the cameras and stood outside with his posters. The journalists did not speculate on whether he would be allowed in future to use their doorsteps as his home.



Sea ordeal: top, Gus Rankin, captain of the Lady Chisholm, and, above, his crew return to the vessel after giving evidence to a judge in Tenerife yesterday

Heady days as Mr Fixit held court

By ANNA FOSTER

THE STATESMAN

ROBERT Maxwell, so often lampooned and loathed in Britain, was seen as a Euro-statesman abroad.

He crossed the divide between East and West. East European governments saw him as offering a route to Western bankers. The banks, in turn, would tap Mr Maxwell as an unofficial credit rating agency of Eastern Europe. Mr Maxwell was happy to play piggy in the middle.

Every February, the Swiss ski resort of Davos becomes playground to the world's political and business leaders for an economic forum that started 20 years ago. Mr Maxwell would bless Davos with his mix of arrogance and charm, arriving in his private jet and playing Euro-power broker over the following week between many of Europe's politicians and bankers. Always based at the exclusive Belvedere hotel with secretary, butler

and chauffeur in attendance, he would hold court to a heady mix of world leaders.

This year, Franjo Tudjman, embattled president of Croatia, had to wait a whole day to see Mr Maxwell, who was busy talking to Karl Otto Pöhl, then president of the German Bundesbank, and other bankers. Once President Tudjman and his aides reached Mr Maxwell's suite, a two-hour discussion ensued, with Mr Maxwell promising Croatia aid and investment and securing further meetings.

Another visitor was the Bulgarian prime minister, Andrei Lukin, with entourage. With a stricken economy, the Bulgarians were desperate for cash. Mr Maxwell, not only handed over a cheque, but gave an assurance that he would contact the chairman of either BP or Shell to see that

extra fuel was piped to Bulgaria. The Bulgarians could only nod in wonder.

For Hans-Dietrich Genscher, Mr Maxwell was prepared to move - down two floors at the Belvedere. His meeting with the German foreign minister - at Mr Genscher's request - was private and conducted in German. While it was taking place Karl Otto Pöhl passed by with his wife, Ulrike. They went in and laughter and chatter reverberated from behind the closed door.

I was in Davos with Mr Maxwell as business editor of *The European*. While I might have expected to be left to my own devices, filing stories for the paper, I was swallowed into the group, and expected to run errands like everyone else. On the other hand, I was introduced to most of Mr Maxwell's guests and almost expected to play co-host. I was asked to pick the bow tie one day and to accompany Mr

Maxwell as his dinner guest. His chauffeur would spend many an hour in the Range Rover waiting for Mr Maxwell to finish a dinner engagement. It was not unknown for him to crash in two or three dinners a night.

Mr Maxwell shifted seamlessly at Davos from businessman to quasi-politician to friend and adviser, rubbing shoulders with Switzerland's president, European media owners (whose Davos sessions he chaired) and Italy's foreign minister, Gianni De Michelis. To Davos organisers, whom he bullied and herded mercilessly, he was the brilliant but difficult member of the family.

As Mr Maxwell's group left for the heliport, an extra car was needed. We flagged down a passing limousine. Could it be borrowed? One of Switzerland's top bankers had no hesitation in giving up limo and chauffeur. Mr Maxwell would have expected no less.

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AFTER MAXWELL: QUESTIONS THAT REMAIN

Hersh reveals existence of tape link to Vanunu

By JAMIE DEITMER, ROBERT COCKBURN AND RAY CLANCY

FRESH allegations linking Robert Maxwell with the kidnapping of a Jewish nuclear technician by Israeli intelligence and with arms deals to Iran started to emerge last night.

Seymour Hersh, the American journalist responsible for the original claims that Mr Maxwell had helped the Israeli intelligence agency Mossad, was on the brink of disclosing a videotape recording of an informant meeting agents in London. The tape is expected to show the informant discussing with two Mossad officers ways of discovering the whereabouts of Mordechai Vanunu, the technician serving a long prison sentence in solitary confinement for betraying his country's nuclear secrets.

Mr Hersh is understood to have received the video last week, only days before Mr Maxwell's death. The newspaper publisher had been informed of its existence.

During the meeting Mr Maxwell's name was mentioned in several telephone calls. The conversations concentrated on how to find Vanunu, who at the time was in hiding in London. Vanunu, who had worked at the Dimona nuclear plant for ten years, told his story to *The Sunday Times*.

Mr Ben Menashe, the former Israeli agent who provided material for Mr Hersh's book, *The Samson Option*, claimed yesterday in an interview with *The Times* that Mr Maxwell had helped to set up arms deals via Eastern Europe for Israel. The arms were destined for Iran and involved money being laundered.

Those close to Mr Maxwell have continued to dismiss the allegations against him. His family are also angry that claims are being made against Mr Maxwell at a time when the newspaper publisher can no longer defend himself.

Mr Ben Menashe said: "Mr Maxwell was working with the Israelis and the Americans over the arms sales and other stuff. Since '85 I used to meet him, once in a while on top of the *Mirror* building. You have to remember he was very much in the Eastern bloc. He was the one who opened the door for us (Israel) in the Eastern bloc. We'd been selling Eastern bloc arms to the Iranians after '84 for quite a bit. He opened the door for that."

Mr Ben Menashe, who lives in Sydney, Australia, is preparing to disclose the names of other prominent people linked with the deals. He has alleged that George Bush, then vice-president, met Iranian officials in Paris in 1980 during the arms for hostages fiasco that became known as Irangate. He said he is prepared to give evidence to a Senate investigation if necessary about the roles of President Bush and other leading public figures.

Matthew Evans, chairman of Faber and Faber, the publishers of Mr Hersh's book, said: "Ben Menashe has told me this story about Maxwell laundering money from arms sales. I do not think anybody could confirm this unless they have proof of it."

Details of secret late-night meetings at Mr Maxwell's newspaper headquarters in Holborn, central London, have also begun to leak out. The meetings, involving men from Eastern European countries such as Czechoslovakia, who spoke only a little English, began about six years ago, not long after Mr Maxwell was supposed to have become involved in arms deals.

These meetings are understood to have taken place in the Holborn building. Mr Maxwell also had many legitimate business connections with Eastern Europe.



Hersh: intends to release videotape recording

Gorbachev pays tribute

PRESIDENT Mikhail Gorbachev of the Soviet Union paid tribute to Robert Maxwell yesterday, and sent condolences to the family of the media tycoon.

"I am deeply sorry to hear news of the death of Robert Maxwell, the world famous publisher and personal friend, who contributed greatly to the improvement of relations between nations in the important business of mass media management and publishing," he said, according to the Soviet news agency Tass. Mr Maxwell visited the Soviet Union in June and spoke to Mr Gorbachev for an hour.

Court offers no answers to death mystery

By LIN JENKINS

ELISABETH Maxwell clasped a black leather bible embossed with gold and trembled slightly as she entered a small courthouse in the Canary Islands to recount her husband's recent medical history to a judge. Before going in, she said: "I don't have any idea what happened. Maybe I will have more of an idea after I see the judge."

Had she been hoping for answers to the mystery surrounding her husband's sudden death, she would have been disappointed. There were only questions as the bureaucratic process set about unravelling the chain of events. Supporting Dr Maxwell was her eldest son, Philip, aged 43, a physicist, whose command of Spanish eased the interview with Judge Gutierrez, who does not speak English.

Dr Maxwell emerged with dignity and without tears to face photographers and cam-

era crews. Her black dress, coat and hat made no concession to the bright sunshine and temperatures in the 80s.

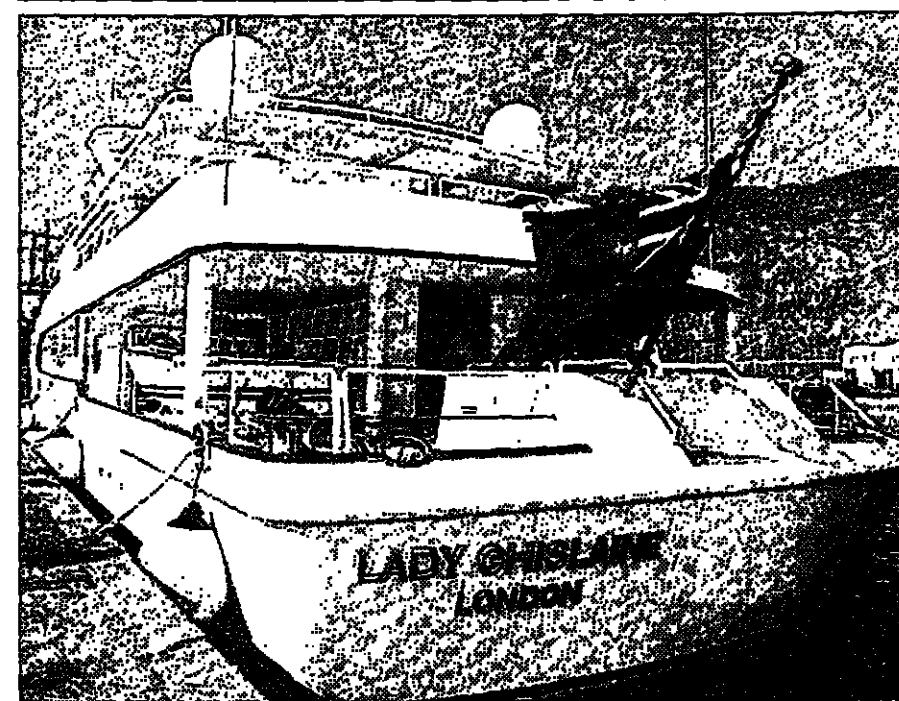
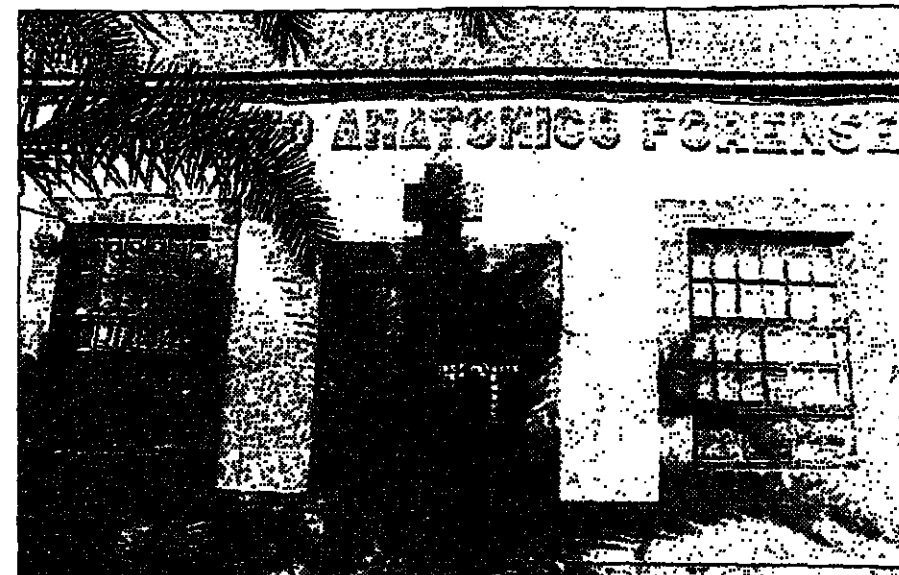
It took more than an hour for Dr Maxwell and her son to complete their statements before returning by taxi to their private jet and the neighbouring island of Tenerife. She chose to stay on the 180ft motor yacht *Lady Ghislaine*, moored a mile off the coast, and from which her husband disappeared on Tuesday morning.

It was left to Julio Hernandez, a lawyer from Tenerife, to go on from the courthouse meeting to represent the family at the post-mortem examination being carried out at the Forensic Science Institute in the hills of the island. He waited as the team of three, under the institute's director, Carlos Lopez Lamela, went carefully through its familiar routine in the whitewashed and granite wing of the island's cemetery.

Even before the examination began, at 10am, the team was not expecting to find evidence of a violent death. An earlier brief inspection of the body when it landed at the island's Gando air base after being hauled from the water, had shown nothing untoward.

Dr Maxwell waited on the yacht for confirmation, with the sea separating her from those curious to know more. She waited in the hope that formalities could be completed quickly and she could take the body of her husband away.

Campbell Livingstone, British vice-consul, said: "Throughout the interview she was calm and dignified. She was asked questions about what medication her husband may have taken and so on, but there was nothing sinister. It is our understanding that she wishes to travel back with the body." He said her son was calmer than on the previous evening, when he was told of the body being found.

Final formalities: Luisa Garcia Cohen, of the team conducting the post-mortem examination on Mr Maxwell yesterday, and, top, the Forensic Science Institute where the examination was held. Below, Mr Maxwell's yacht, the *Lady Ghislaine*, in Santa Cruz de Tenerife yesterday

Merseyside office staff have been proven to be more productive – it must be something to do with the water.



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For a New Wave of Opportunities

His clan replaced those he lost in Czechoslovakia

By ALAN HAMILTON

ROBERT Maxwell never did things by halves, and that included the siring of a dynasty. But for all that he proclaimed himself an Englishman, the English tradition that the first born son inherit the estate will not apply.

Maxwell and his wife of 46 years, Elisabeth, had nine children. Three days after the birth of the last, Ghislaine, their eldest, Michael, aged 15, a promising pupil at Marlborough, was involved in a car crash. He lay in a coma for seven years and died in 1968. In 1957 their daughter Karine died from leukaemia aged three.

Elisabeth Maxwell says she gave her husband a big family to replace the family he lost in Czechoslovakia. She also says her husband was remarkably patient with all his children when they were young.

The eldest son Philip, aged 40, has shown little inclination to enter the family business, preferring a life of academic research as a physicist in Oxford. He won a scholarship in natural sciences at Balliol; all the other surviving children are also Oxford graduates. Management of Maxwell's empire

has devolved largely on his other two sons Ian, aged 35, and Kevin, aged 32. Both have spent their working lives within their father's empire, with the exception of a year Ian spent doing charitable work for the Prince's Trust.

During Maxwell's phase of enthusiasm for buying football clubs, he put the two sons in as chairmen, Ian of Derby County and Kevin of Oxford United. At the time of their father's death, Kevin was chief executive of the Maxwell Communications Corporation, while Ian was deputy chairman of the *Mirror* Group.

Executives and employees who know the family describe Kevin as more the chip off the old block, serious and rather severe, very much the financier and doer of deals. Ian is said to be much more the publisher, affable and cultured with a taste for expensive restaurants. He oversaw the launch of his father's pet project, *The European*. Because they have spent all their lives within the org-

anisation, City analysts find it difficult to form a potential performance picture of either son.

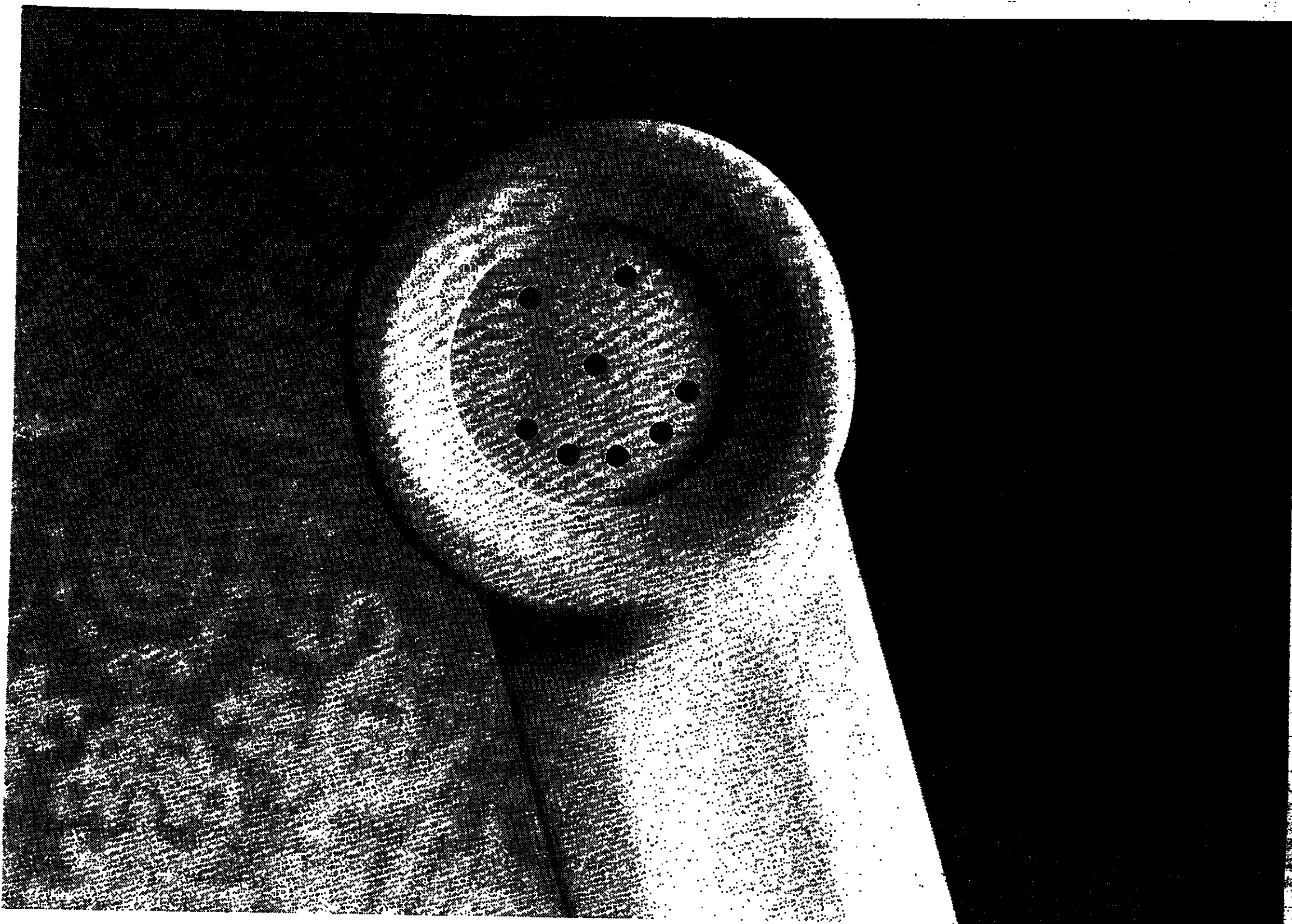
Maxwell's four daughters have not escaped business involvement either. Christine and Isabel, and their sister Anne, have had posts within the empire, including looking after Maxwell interests in the United States.

Christine helped launch the ill-fated *Sportsweek* and the *London Daily News*. She also edited the Pergamon Oxford Dictionary, and incurred the wrath of the august Oxford University Press for what they saw as a blatant hijacking of their own most celebrated title.

Ghislaine, the youngest daughter aged 30, runs her own mail order business selling executive gifts, is seen around fashionable society, and spends much time in Paris on fashion projects.

Maxwell was intensely proud of his large family of children and grandchildren, calling them his clan and insisting on twice-yearly full-attendance gatherings at Headington Hall, on his birthday and at Christmas. Those family reunions will be rather quieter now.

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Linkage to Waite criticised

Rushdie retaliates as vigil is called off

By STEWART TENDLER

SALMAN Rushdie and his supporters yesterday cancelled a vigil marking the 1,000 days the author has lived in hiding from an Islamic death sentence after a warning from the Foreign Office that the event might delay the release of Terry Waite.

The decision was announced amid anger from Mr Rushdie. He accused the Foreign Office of prompting the cancellation by leaking its views to the press and acting in bad faith. Speaking from hiding, Mr Rushdie yesterday criticised "the foolishness of establishing a public linkage between two unrelated events, and thus, in effect, inviting the hostage takers and their patrons to make use of it."

The demonstration, due to

be held next Monday in Westminster, has now been postponed to February 14, the third anniversary of the death sentence. It was passed on Mr Rushdie by the late Ayatollah Khomeini, spiritual leader of Iran, for what he called an insult to the Islamic faith in the Rushdie novel, *The Satanic Verses*.

Earlier this week, members of the campaign supporting Mr Rushdie met Douglas Hogg, the minister responsible for handling the Middle East crisis, to discuss the question. The meeting came after reports that the Foreign Office was worried that the vigil would be seen as having official government support.

Yesterday Mr Rushdie emphasised that he had not

acted in deference to the Foreign Office "but rather as an effort to clean up the mess they have made". He said: "There is only one reason for making this choice, and his name is Terry Waite."

Mr Rushdie said: "The Foreign Office, by making an explicit link between the show of support organised to mark the passing of 1,000 days since the *fatwa* from Iran and the plight of the remaining British hostages Terry Waite, and by making that view public by leaks to journalists, has in my view committed an act of bad faith. The bad faith lies in the Foreign Office's abandonment of the position that it ought never to trade in human rights. It now appears to have taken the position that the rights of those named in the *fatwa* are to be sacrificed, and to be trying to wash its hands of any responsibility in the matter. In the event of Terry Waite's incarceration being prolonged by this connection, the Foreign Office would have to bear a heavy burden of blame."

The Salman Rushdie Campaign said that until now the Foreign Office emphasised that the issues of the author and the hostages were separate. "The apparent change in their views has disturbing implications."

Last night the Foreign Office said it was made clear that the vigil was a matter for the organisers. "There are other issues as well which it is important for us to resolve."



Rushdie: angered by Foreign Office warning



Shirt tale: Elinor Jefferies, aged 15, from Wiltshire, models her winning RSPCA T-shirt design, accompanied by the contest's judges, Michaela Strachan, left, children's television presenter, and Jessica Muschamp of *Neighbours*

Right endorses hard line on Europe

By NICHOLAS WOOD

POLITICAL CORRESPONDENT

CONSERVATIVE rightwingers have dealt John Major's chances of preserving party unity over Europe a serious blow by voting overwhelmingly to support the current hard-line leadership of an important backbench committee.

A private dinner of the parliamentary party's biggest right-wing grouping, the 92 Group, decided on Tuesday night to throw its weight behind Bill Cash, who is battling to hold on to his post as chairman of the European affairs committee. A move to drop Mr Cash from the group's slate of candidates for the backbench elections in favour of Sir Peter Hordern, a senior backbencher with mainstream views on Europe, was heavily defeated.

The vote means that Mr Cash is assured of substantial support, perhaps 80 votes, when the elections are held within the next few weeks. It will be received with dismay by senior ministers and government whips, who have been seeking surreptitiously to mobilise support for a "unity candidate" who would not rock the boat over efforts to reach agreement on European monetary and political union.

The chairmanship of the committee, which confers ready access to the media and ministers, is widely seen as an important post in the run-up to the Maastricht summit of European Community leaders next month, and in the approach to the general election.

Right-wingers, who want Mr Major to take a tough line with his EC counterparts at the summit, decided this was not the time to put party unity before strongly-held beliefs. They ignored criticism of Mr Cash's outspoken campaigning against a single currency, which many Tory MPs believe has widened the divisions in the party, and voted six to one to endorse him as chairman.

Gang in £1m raid 'ready for war'

AN ARMED raider shot dead in a police ambush was part of a robbery gang prepared for a small war, the Central Criminal Court was told yesterday.

The gang of four men attacked the crew of a Securicor van carrying £1 million just outside Reigate, Surrey, on November 27 last year, Michael Stuart-Moore, for the prosecution, said.

"When you see the weaponry, ammunition and body armour you may well conclude the robbers were prepared for a small war," he told the jury. But the robbery was foiled because "police had stayed one step ahead."

Dennis Arif, a member of the alleged gang, is accused of conspiring with Anthony Downer, Mehmet Arif, Kenneth Baker and others to rob Mr Dennis Arif, aged 40, of Rotherhithe, east London, denies the allegations and a second charge of having a firearm without a licence.

The hearing continues today.

Recession shows up in driveways of Home Counties

A stockbroker with an elderly Jaguar is a sure sign of the slump in the motor industry, reports Kevin Eason

THE new Jaguar sitting snugly on the drive was once accepted without question in the stockbroker belt of Britain. Buying the latest model was an annual ritual in the nation's wealthiest counties, which helped to create record car sales in the Eighties and the remarkable growth of companies such as Jaguar and Porsche.

If Norman Lamont, the Chancellor, wants to measure the full extent of the recession, a trip along the suburban lanes of the Home Counties will reveal as much as any official statistics, for the cars on the drives are now more likely to be old and battered than gleaming and new.

A survey for Britain's 12,000 motor dealers shows that the brunt of the decline in car sales this year has been

felt in those counties which have traditionally been protected from recession. National sales so far this year are down 21.6 per cent, with October slipping 22.45 per cent against October last year, in spite of drastic price reductions by manufacturers to stimulate sales.

The survey, for the Retail Motor Industry Federation (RMI), shows that registrations in Bedfordshire are down by 37.7 per cent, in Hertfordshire 34.9 per cent, in Surrey 31.9 per cent and in Oxfordshire 30.5 per cent.

Sales in other counties where London commuters and white-collar workers

have dominated are also down much more than the national average. Registrations in Berkshire are down by 28 per cent, Buckinghamshire 27 per cent, East Sussex 25.2 per cent and 24.4 per cent in Kent. Northamptonshire, one of Britain's fastest growing areas, also suffered a 28.4 per cent decline.

The significant factor, according to the RMI, is that around two-thirds of sales in those counties are to companies, because company cars are part of the executive wage package. However, company closures and falling profits have led to a dramatic decline in orders, felt worst

by companies like Jaguar, Rolls-Royce and Porsche.

Sales of Jaguar, which sells 90 per cent of its limousines and sports cars to companies, have almost halved in the first ten months of this year. Porsche, the glamour cars of the Eighties and a favourite of rising City money men, will fall from a peak of 3,000 to about 1,800 cars this year.

Neil Marshall, the RMI's chief economist, said: "In the past, the recession has gaily bowled past the prosperous South-East and hit the North, Wales and Scotland. Now we see that this time it has hit all areas of employment, and companies which seemed previously immune. That is a warning to the government as to just how deep this recession has cut into Britain."

Security firm wins private jail deal

By OUR CRIME CORRESPONDENT

A HOME Office minister signed the contract for Britain's first privately run prison yesterday with Group 4, one of the country's largest security companies, on the site of the new remand jail at the Wolds, on Humberside.

Angela Rumbold, the Home Office minister responsible for prisons, said that, under the planned regime, prisoners would have at least 14 hours a day out of their cells, with access to a programme of activities. They would have full access to legal assistance and opportunities for visits, to use telephones and write letters.

The 320-cell prison, holding medium security inmates, is due to open at Brough, North Humberside, in April. *The Times* predicted that the contract would be given to Group

4, which already runs the immigration holding centre at Harmondsworth, near Heathrow airport. It beat eight companies for the contract.

Staff employed for custodial duties by Group 4 must be certified by the home secretary. That involves being trained to an approved standard and being assessed as fit and proper for the task, after a criminal record check. The prison would be open to inspection by the prisons inspectorate.

The Prison Reform Trust yesterday attacked the government's failure to halt the use of police cells for prisoners who should be held in jails. Edmund Dell, the trust's chairman, said that ministers had said nothing to courts about restricting prison sentences to the most serious cases.

Joseph in new plea on parenting

By RUTH GLEDHILL

RADICAL steps to improve the quality of parenting in Britain were proposed last night by Lord Joseph, the former Cabinet minister. He called for the reintroduction of child tax allowances, and argued that voluntary bodies should intensify their efforts to prevent family breakdown.

Addressing the annual meeting of the National Children's Home, Lord Joseph warned: "Unless some parenting improves, many of our hopes for the future will be undermined."

Some children are increasingly experiencing a life of poverty, broken relationships and fatherlessness, he said. "Parenting that is not good enough can lead to misery for the children and, as they grow up, failure at school, crime, violence, disregard for others and

unhappiness for themselves." Lord Joseph said the problem had not improved since he described a cycle of deprivation 20 years ago. At that time, no one disputed the paradox that in spite of material improvement, the old miseries of crime, violence and self-destruction seemed not to be dwindling but increasing.

Bringing up children to accept the values of a civilised society was overwhelmingly the responsibility of parents, not of government, schools or churches, although all had a role to play.

He said that while low income makes parenting more difficult, researchers should recognise that quality of parenting is as relevant.

Leading article, page 21

Girl admits killing stepfather

A schoolgirl who admitted killing her stepfather was remanded into council care yesterday after a judge was told that she was trying to protect herself or her mother.

Mr Justice Popplewell accepted the 15-year-old girl's plea of guilty of manslaughter but not guilty of murder when she appeared at Newcastle upon Tyne crown court. Roger Thorn, QC, for the prosecution, said that her plea was acceptable, "particularly on the basis of lack of requisite intent".

David Robson, QC, for the defence, said that the girl's stepfather, aged 36, was stabbed to death on January 26, but psychiatric reports showed she did not mean to kill him. The indication was that she had meant only to hurt him, and that she had used a knife to protect herself or her mother, he said.

It was clear that the girl, who was 14 at the time, needed continued residential care followed by a phased return to her family, but under close supervision, he added.

Training scheme errors total £47m

Michael Howard, the employment secretary, was asked last night to explain in the Commons errors totalling £47 million in his training programme accounts.

Sir John Bourn, the public spending watchdog, disclosed faults in the department's financial controls, especially in the employer-led training and enterprise councils. For the second year running he qualified the accounts because of errors. Tony Blair, shadow employment secretary, demanded a Commons statement from Mr Howard.

Blast charge

A hospital porter was remanded in custody by Belfast magistrates' court yesterday accused of the murder of two soldiers killed in an IRA bomb blast at the military wing of the Musgrave Park hospital in the city on Saturday. Liam Rory Dougan, aged 24, of Poleglass, west Belfast, is charged with the murder of Philip Cross and Craig Pantry, and with attempted murder of three people hurt in the blast.

Fire pay award

The Fire Brigades Union is expected to accept today a pay offer of almost 5 per cent for firemen in England and Wales. The award will take starting pay to more than £12,500 while those with five years' service will get more than £15,500. However, the seven metropolitan fire authorities said that cuts might be inevitable.

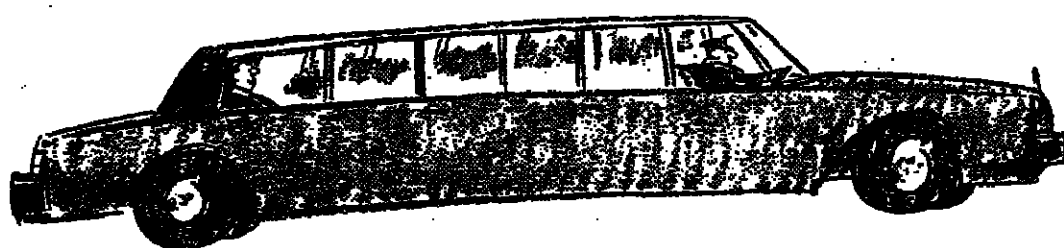
Corncrake haven

The Royal Society for the Protection of Birds has bought four square miles of grassland on the island of Coll, in the Hebrides, for £281,000 to provide a haven for the threatened corncrake.

CLARIFICATION

The surname of Patrick Robertson, secretary of the Bruges Group, was inadvertently given as Robinson on Monday. On October 28 the photograph of Rosemary Spencer, of the Foreign Office, in fact showed Rosemary Spencer, of the World Health Organisation. We apologise to all three.

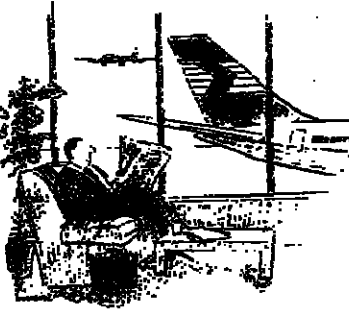
FROM BACK SEAT TO BIG SEAT. BUSINESS TRAVEL the CANADIAN WAY.



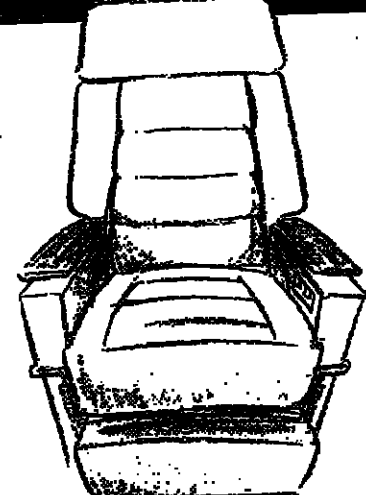
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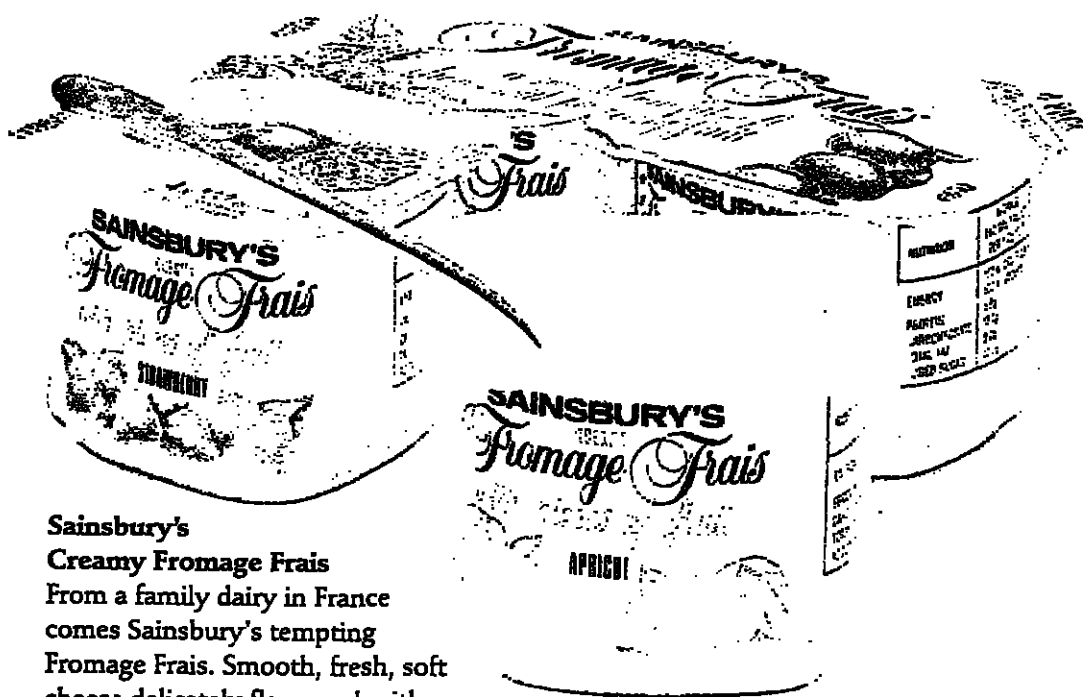
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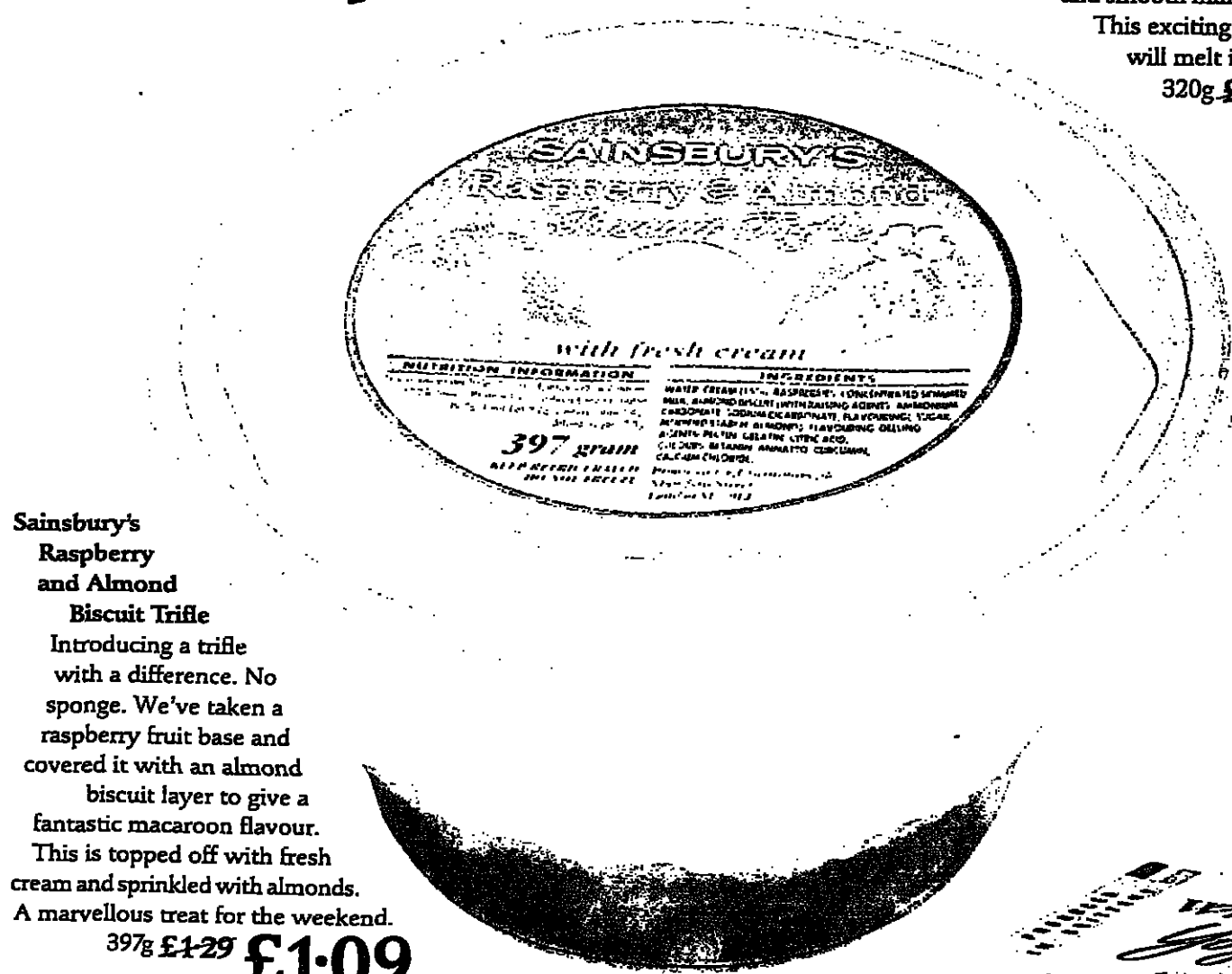
Mouthwatering, appetizing and tempting. (But enough about Sainsbury's prices.)



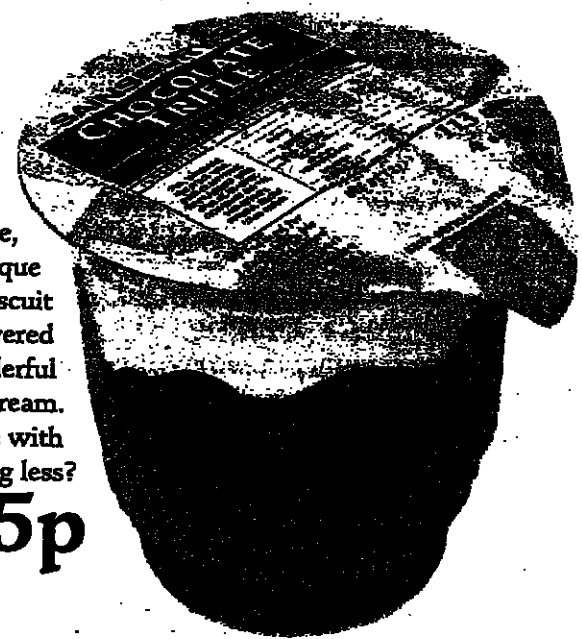
**Sainsbury's
Creamy Fromage Frais**
From a family dairy in France comes Sainsbury's tempting Fromage Frais. Smooth, fresh, soft cheese delicately flavoured with pieces of fruit gives a luxurious, creamy, irresistible taste. C'est bon.
4 x 100g ~~£1.15~~ **99p**



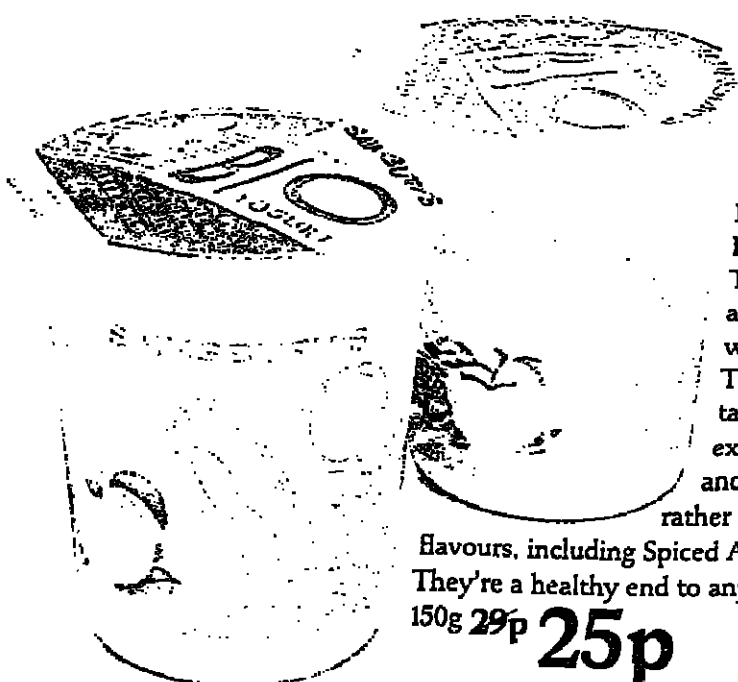
**Sainsbury's
Double
Chocolate Split**
For chocolate lovers everywhere, two good reasons to try this one, a double layer mousse of creamy white chocolate and smooth milk chocolate. This exciting combination will melt in your mouth.
320g ~~£1.19~~ **99p**



**Sainsbury's
Raspberry
and Almond
Biscuit Trifle**
Introducing a trifle with a difference. No sponge. We've taken a raspberry fruit base and covered it with an almond biscuit layer to give a fantastic macaroon flavour. This is topped off with fresh cream and sprinkled with almonds. A marvellous treat for the weekend.
397g ~~£1.29~~ **£1.09**



**Sainsbury's
Chocolate Trifle**
A mouthwatering chocolate trifle, made with a unique chocolate chip biscuit layer and covered with wonderful fresh cream. Why trifle with anything less?
113g ~~42p~~ **35p**



**Sainsbury's
Fruited
Bio Yogurts**
These yogurts are made with a wholemilk base. They've got a fresh taste which is extremely mild and they come in rather unusual flavours, including Spiced Apple. They're a healthy end to any meal.
150g ~~29p~~ **25p**



**Sainsbury's
Wholemilk Yogurts**
Milk from Brittany (the cream of the milk producing regions of France) and delicate pieces of fruit, give these wholemilk yogurts their rich taste. They're equally delightful for dessert or breakfast.
2 x 125g ~~72p~~ **62p**

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Labelling of medicines

Patients confused by generic alternatives

By THOMSON PRENTICE, MEDICAL CORRESPONDENT

PATIENTS urgently need more information about the drugs they are given because the range of generic alternatives available means they may get a different version with every prescription, according to the Consumers' Association.

Better labelling of medicines will be introduced in 1993 as a result of a European Commission directive, but in the meantime, patients should get the same pills every time they want them, the association says today.

Generic drugs, cheaper versions of those with brand names, save the health service at least £40 million, but they cause confusion for many patients, according to the association.

A report in *Which?* gives the example of a woman who found her medicine truly difficult to swallow because she got different shapes and sizes of tablets every three or four times that her prescription was renewed. The commonly prescribed antibiotic amoxycillin can come in capsules that are white and yellow, black and yellow, white and red, or, if it has the brand name Amoxil, red and yellow.

Although the wide choice offered by generic drugs should allow a doctor to prescribe the most suitable pill for an individual patient, both should be given more details about the alternatives, the

association says. Generic medicines have to meet the same standards as the branded alternatives and are in no sense inferior, research has shown.

Switching from a brand name and a generic counterpart should make no difference to the patient, except in a few exceptions, which will be known to the prescribing doctor, according to the report.

"New European Commission labelling guidelines will mean better and clearer information about what is in drugs, but the guidelines will not be introduced until 1993. We welcome these changes, but until they become law, we hope everyone involved in getting medicines to patients will take steps towards providing the kind of information that is needed," the report says.

From 1993, the label on a medicine bottle should give the brand name and the generic name of the drug, a list of all the active ingredients, and warnings about side-effects, such as drowsiness or hazards if taken by children.

The association wants the labels also to contain details on who made the drug and when, together with information on its dosage, storage and disposal and expiry date.

□ Fewer than six out of every ten parcels arrived within three days of posting, the

Consumers' Association journal *Which?* says (Paul Wilkinson writes). The best day to post is either a Tuesday or a Thursday; 86 per cent sent on those days arrived within three days. Another tip from *Which?* is to post by 4pm.

The magazine's conclusions are based on its own test of the service, carried out during one week last July. Members posted 1,000 parcels from ten UK locations to destinations all over the country. The survey showed that Parcelforce did not come up to its claim to the Consumers' Association that 90 per cent of parcels are delivered within three days.

Which? looked also at the various methods of sending a parcel, including those through private firms, such as British Rail's Red Star and Securicor's Omega Express.

For a 2 kg package Parcelforce was the cheapest at £3.15 and Red Star the most costly at £25.85. But Red Star promised delivery by noon the next day.

Health, page 17



Mr Shaw outside his church at Auldearn, Highland

Minister sacked in baptism row

By KERRY GILL

A CHURCH of Scotland minister is to appeal to the church synod after being sacked from his post for refusing to baptise babies and young children.

The Rev Sandy Shaw, aged 49, has served in the ministry for 23 years. He said he stood by his decision that baptism should be available only to those who were old enough to believe in God.

Mr Shaw, of Auldearn parish church, near the Highland town of Nairn, was dismissed after a vote of 51 to 2 at a meeting of the Inverness presbytery. He had been under suspension since June.

The Rev Robert Logan, the presbytery clerk, said later: "The mood was very sad and members respected his convictions, but they totally disagree with him." Mr Shaw and his family will be allowed to remain in the manse until a decision on his future is made by the synod in April.

Mr Shaw, who was clearly shaken by the vote, said: "The Church of Scotland have got it wrong and should review their procedures," and added that his

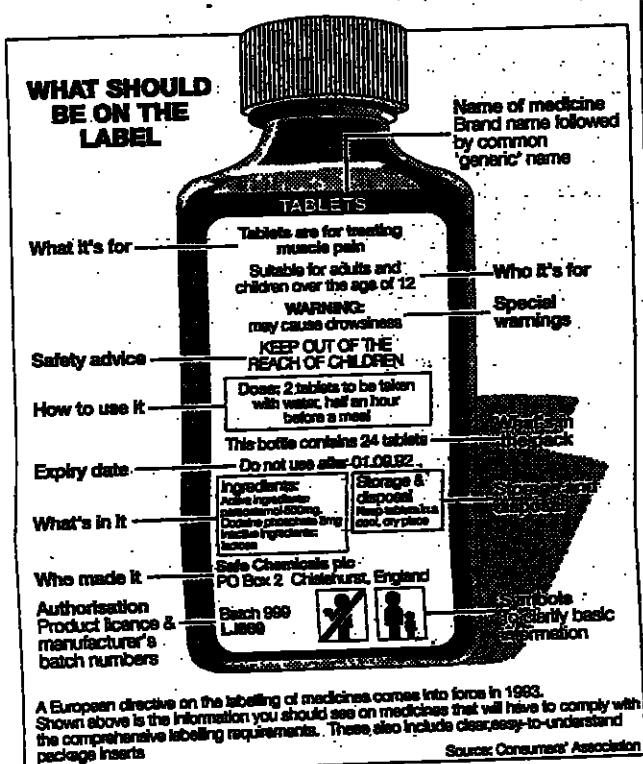
ordination vows said nothing about him baptising babies. "I must appeal because I believe I am right," he said.

He argued that the church could have employed a guest preacher to baptise babies, an action which would not have compromised his religious beliefs and would have left him in charge of his church. Instead, he had been summoned to what was little more than a trial.

"I have forgiven them although they have not forgiven me, but that is their problem," said Mr Shaw. He added that he would not alter his views to get his job back. "I have spent my life preaching and teaching the Word of God, and I will continue to do so for whoever wants me."

He said that many parishioners had wanted to campaign for him, but his was not a legal battle with the church, but a "battle of belief".

Mr Shaw's stand follows that of a Glasgow minister who recently criticised the baptising of infants and said that the church was failing to obey biblical teachings.



1913 Rolls 'a clever fraud' says expert

By MICHAEL HORSNELL

A 1922 Rolls-Royce Silver Ghost had been cleverly faked to look like a 1913 model before it was sold to a collector for more than twice its real value, the High Court was told yesterday.

Jonathan Harley, a leading expert on Silver Ghosts, said the chassis number had been filed off the engine and fraudulently substituted by a pre-first world war number.

He was giving evidence for John Silberman, a collector of classic cars from Tampa, Florida, who bought the car from Coys of Kensington in 1983. Mr Silberman, aged 46, is seeking damages for fraudulent misrepresentation or for breach of contract by the specialist London car dealers.

The court was told that the car was doctored by an unknown person, and later came into the hands of Coys, who sold it in 1981 to John Lawson, an English collector. The company took it back after legal action over its authenticity was launched by Mr Lawson, who had received expert evidence from Mr Harley.

But Coys resold it to Mr Silberman as a 1913 model for over £51,000 in 1983, when it was really worth only £25,000, despite having been informed by Mr Harley of its dubious history.

Mr Silberman called in Mr Harley to examine the car in 1989, after he had tried to sell it, only to be told by the prospective purchaser that it was a fake.

Mr Harley told Mr Justice Macpherson: "It is a very clever fraud. I have seen other cases where people have tried to alter the appearance of a car to make it look earlier, but in this case someone has gone to a lot of trouble to ensure the car could pass the unsuspecting eye as a 1913 model."

The case continues today.

Children 'driven to smoking by ads'

By NIGEL HAWKES
SCIENCE EDITOR

CIGARETTE advertising does get through to children, encouraging more of them to become smokers and to go on smoking, a report published yesterday by the Cancer Research Campaign says.

Despite the tobacco industry's insistence that the market is a mature one in which advertising affects only the choice of brands, a survey by the advertising research unit at Strathclyde University has found that children are aware of the ads and respond positively to them. The four brands promoted most heavily are the same four most often smoked by teenagers.

"Advertisers would expect their customers to be more aware of their ads," Gerard Hastings, of the Strathclyde unit, says. "That is exactly what we found among children who smoke."

A survey in which a group of 640 Glasgow children were interviewed twice with an interval of a year in between the interviews, showed that children who paid more attention to cigarette advertising were more likely to change their views in favour of smoking. "The only logical explanation for these findings is that advertising is playing a part in the change process and that the youngsters are using it to support their move towards smoking," the report says.

Adrian Vickers, of the advertising agency Abbot Mead Vickers, said that the report justified the banning of cigarette advertising.

□ Children should be taught about the dangers of smoking, drinking and poor diet on unborn babies to help prevent risks in pregnancy later in life, MPs said yesterday (Jill Sherman writes). Sex and health education should be part of the national curriculum, the Commons health select committee says.

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Spending round winners and losers

Rifkind and rail come out on top

By PHILIP WEBSTER
AND NICHOLAS WOOD

AN INCREASE of a quarter in his department's budget made Malcolm Rifkind the clear winner and British Rail the main beneficiary when the results of the annual tussle between the Treasury and the spending departments were unveiled yesterday.

The transport secretary increased his department's planned spending for next year by £1.43 billion as he moved to bolster British Rail's recession-hit revenues by £1 billion and to keep planned investment on track. The decision, accompanied by a 60 per cent boost for London Underground, marked a clear break with the Thatcher era and displayed the government's sensitivity to a potential electoral backlash in its home counties commuter strongholds.

In the Eighties under a prime minister whose antipathy to rail was known, transport investment meant building new roads. Under John Major and the rail-using trans-

port secretary, it has come to mean something very different. As the Chancellor of the Exchequer said: "Public transport has rightly taken priority within the transport programme and provision for expenditure on roads has been held to its planned level."

Although Mr Rifkind took the prizes in percentage terms, the hard cash winners were Tony Newton, social security secretary (£4.2 billion over the most recent planned figure for 1992-3), William Waldegrave, health secretary (£1.65 billion), Michael Heseltine, environment secretary (£1.4 billion on local government spending, housing and "greenery"), Tom King, defence secretary (£830 million) and Michael Howard, employment secretary (£480 million).

Much of Mr Newton's increase was attributable to the effects of the recession that has driven up spending on unemployment but Mr Waldegrave, Mr King and Mr Howard had to battle hard with David Mellor, the Treasury chief secretary, to make headway.

Mr Waldegrave, under intense pressure from Labour over the progress of the national health service reforms, followed his predecessor Kenneth Clarke in securing a big real-terms increase for hospitals. He had fiercely contested face-to-face meetings with Mr Mellor in which he made clear that his main priority was to win large amounts of new money for this part of his budget.

Early on in the talks he conceded that he would not make much headway on family doctor services and capital spending, but he made clear to the chief secretary that he would not budge on his demands for more for hospitals. It took the intervention of the prime minister to bring about an agreement.

Mr Howard was trying to claw back ground after two disastrous settlements for the employment department. The Treasury again showed its teeth with an opening bid for a cut of nearly £400 million.

To the embarrassment of all concerned Mr Mellor's letter

pouring scorn on many of the employment department's most cherished projects was leaked. Mr Howard's success in turning the proposed cut into a £480 million cash gain made him one of the true winners. His gain worked out to 14.2 per cent above the most recent planned figure, a figure bettered only by Mr Rifkind's 25 per cent boost and Mr Heseltine's 17.2 per

cent uplift for anti-pollution measures. Mr Clarke, the education secretary, entered the spending round with an enviable reputation as one of Whitehall's toughest negotiators. As health secretary, he wrung an extra £6 billion out of the Treasury in three spending rounds. Yesterday, Mr Clarke had to settle for much less. He claimed an increase of

£627 million, or 8.6 per cent, in his budget compared with actual spending in 1991-2. However, judging him on the planning total comparison used for the other departments, his increase was a more modest £320 million, or 4.1 per cent. As the Chancellor pointed out, the new money is being targeted on higher education and the science budget. The education budget is

complicated by the fact that its most politically sensitive responsibilities are funded out of local authority coffers and not Whitehall. Most of the running costs of schools go on pay and Mr Clarke may well have to go back to the Treasury early next year and raid the £4 billion contingency reserve to help councils to meet the pre-election review body salary award for the nation's 440,000 teachers.

Overall, departmental spending rises by £11.1 billion, or 5.2 per cent, when proceeds from the contingency reserve and privatisation are taken into account. There are no outright losers in the electorally important spending departments.

However, John Gummer's agriculture ministry has taken something of a battering, with the planned total reduced by £120 million, or 5.1 per cent. The energy department, which appears destined to disappear in a future Whitehall shakeup, loses £70 million, or 10 per cent. Peter Lilley's trade and industry department, which has long abandoned its historical role of dispensing industrial largesse, will be spending £10 million less next year.

Parliament, page 10
Nicholas Ridley, page 20
Leading article, page 21
Political sketch, page 26
Business News, pages 27-34

Minister shuts NI payment loophole

By LINDSAY COOK
MONEY EDITOR

TONY Newton, the social security secretary, acted yesterday to close, from midnight, a loophole that had allowed employers and employees to avoid National Insurance contributions.

Under tax rules, such payments had been treated as benefits in kind and not subject to National Insurance contributions of 9 per cent for employees and 10.4 per cent for employers.

The change could affect health insurance premiums

PERKS

paid by employers for employees, currently taxed at the cost of the premiums to the employer. Group cover is by far the biggest part of the health insurance market.

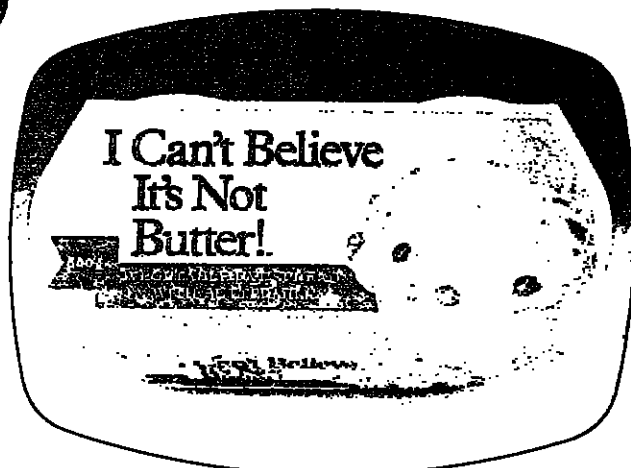
Mr Newton said that payments in financial instruments had clearly been used by employers as a means of avoiding contributions. "In the government's view, there is no reason why payments in kind should necessarily be treated any differently from payments in cash for National Insurance contribution purposes," he said.

New regulations would "provide that both primary and secondary contributions will be payable on the value of financial instruments and certain insurance policies which form part of an employee's remuneration".

Shares and options to acquire shares in the employing company will be exempt.

There will be no changes to standard rates of NI contributions, and thresholds will be raised in line with inflation. The lower earnings limit will be raised from £52 to £54 a week next April. Neither employee nor employer contributes if earnings are below this figure. The upper earnings limit is raised from £390 to £405. Above this no contribution is paid. For employees on less than £390, this will give a reduction of 14p.

Banned for good taste.



Is this a first for British television?

Last week, our commercial for a new spread was due to appear on Britain's screens.

Now thanks to pressure from some people - including a certain food lobby - it's had to disappear. Why? Well, apparently our name is not to their taste. You see, our new spread is made with buttermilk.

It has a fresh, butter-like taste. That's why we

decided to call it "I Can't Believe It's Not Butter!"

Now some people think that's going too far.

But we'd rather you made up your own mind.

We can tell you our vegetable fat spread is high in polyunsaturates, low in saturates and contains virtually no cholesterol.

We can also tell you it's now in the shops.

As for the taste, enough said.

Mellow Mellor maintains a low profile

By ROBIN OAKLEY
POLITICAL EDITOR

MPs had no doubt yesterday's autumn statement was politics, not economics. Norman Lamont had helped himself to slices from the contingency reserve and from the privatisation pool to boost spending, with public borrowing, too, set almost to double in the year after the election.

As he reeled off the promises of extra spending on health and transport, most reckoned it to be at the high end of what the City might be prepared to accept, more the sort of thing a Labour chancellor might have offered than what might have been expected from the normally cautious Chancellor. No wonder that his presentation was remarkably low key.

It was also, one senses, yet another firm line under the Thatcher years. The lady herself sat behind the Chancellor with the pursed lips of a teacher whose gift apple contained a worm as the man who remains her closest link in the cabinet slipped the reins off public spending.

For all the good news he brought them, Tory MPs were still saying that in spite of having brought down interest rates by 4.5 per cent and with inflation below 5.5 per cent, Mr Lamont remains a Chancellor on trial. They praise him for keeping his nerve and sticking to his policy through barrages of criticism.

However, yesterday's statement, MPs pointed out, was full of "may", "seems to" and "likely to". He still could not tell them recovery had begun, only "the economy may already have started to pick up".

For Tory MPs in marginal seats one small sentence in Mr Lamont's statement had particular resonance. "Growth", he said, "will gather pace through the year." In a year in which July 9 remains the latest possible date for an election, pace is crucial.

Mr Lamont, who afterwards denied all thoughts of a cynical give-away, spoke

with polish and authority, untroubled by the usual crisp riposte from John Smith, the shadow Chancellor. But although the statement was delivered by the Chancellor, it owed much to the work of David Mellor, chief secretary to the Treasury, who has had to battle with spending ministers to bring down almost £20 billion worth of overbids to a figure which would not frighten the markets.

Colleagues say that the

Mr Mellor has scored a

personal success in bringing

the most difficult spending

round since the early 1980s

to a conclusion without

recourse to the ministerial

appeal court of the star

chamber. They have also

noted that Mr Mellor, a

politician never averse to a

headline, has changed his

style significantly, operating

with the minimum of per-

sonal publicity and under

the tightest security. It is a

mellow Mellor.

It has also been one of the

least-leaked autumn state-

ments in years. Mr Mellor

has proved himself and

Tory MPs now want him

back on the airwaves to

indulge his more combative

instincts on Labour's tax

and spending plans.

As for Mr Lamont, Tory

MPs are aware that there is

virtually no other positive

opportunity between now

and the next election and are

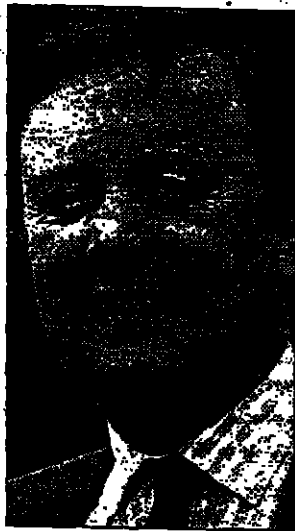
looking to him to devise a

budget in March which will

see them to victory.



Clarke gives big boost to school capital programmes



Clarke: "high priority" to education and training

A BIG increase in spending on school buildings will help to push the education and science budget up to almost £8 billion next year. Kenneth Clarke, the education secretary, yesterday announced rises of 10 per cent above inflation in capital programmes for schools, and 5.5 per cent on higher education. He also promised three years of rising budgets for science.

Universities and polytechnics will be expected to make "efficiency savings," however, since the growth in student numbers is expected to outstrip the budget increases. The universities had asked for a 2.2 per cent increase to tackle their building problems and to cater for extra students. Education

EDUCATION

was one of the main beneficiaries of the Chancellor's increase in public spending.

Mr Clarke said: "To be able to announce a 4 per cent increase over and above inflation at a time when the economy is still coming out of recession shows that the government is placing a very high priority on the education and training of our young people."

Jack Straw, Labour's education spokesman, countered by describing the statement as misleading and dismissing Mr Clarke as a "minister on the run." He said: "No one will be taken in by panic pre-election promises which this

Next year's budget for education and science will be almost £8 billion, but that is unlikely to be enough to please the scientists and the universities. John O'Leary writes

Tory government cannot sustain, given its pledge to cut income tax."

The bulk of education spending was not covered by Mr Clarke's statement, since the running costs of local authority schools are met through the environment department. Of the remaining costs, Mr Clarke made school buildings his priority. The 15 per cent increase in the amounts local authorities may borrow to repair and replace schools follows a bigger rise in the current year.

Local authorities estimate

that the backlog of repairs and renewals amounts to some £4 billion, compared with the £590 million committed for 1992-3. Mr Clarke insisted that no accurate figure could be calculated.

New projections of student numbers suggest that one in four 18-year-olds will go on to higher education next year, compared with one in eight when the Conservatives took office in 1979. Yesterday's statement confirmed that student grants will remain frozen, but substantial

increases in the amounts available under the government loans scheme will ensure that the total package of student support rises in line with inflation.

Universities will again face a bigger squeeze on funding than polytechnics because Mr Clarke considers that their slower rate of growth has left more scope for economies. The polytechnics will get an increase of 7.4 per cent in real terms, for 9 per cent more students, while the universities are given 3.8 per cent extra for 5.8 per cent

more students. The universities will also lose £48 million to the research councils.

● Spending on research and development will exceed £1,000 million for the first time next year, to reach a total of £1,054 million, the Department of Education and Science announced yesterday (Nigel Hawkes writes). This represents an increase of £126 million over the figure for last year, but this includes the £48 million transferred from the Universities' Funding Council. Taking account of that, the increase represents 7 per cent, rather less than the figure for the DES as a whole.

In 1993-4, spending is set to rise to £1,184 million, and

in 1994-5 to £1,274 million, although transfers of £125 million and £154 million from the UFC make these increases less generous than they appear. According to the DES, the totals for these years are £29 million, £50 million and £85 million higher than previous plans for those years.

How the budget will be divided will be for the Advisory Board for the Research Councils to determine. The fact that there is an increase in real terms — the Chancellor estimated it at 3 per cent — will provide some scope for recovery from what has been a very bad year for the councils, but they are likely to feel that it is no more than a bare minimum.

£2.7bn injection puts NHS reforms on road to recovery

By JILL SHERMAN
SOCIAL SERVICES
CORRESPONDENT

PROSPECTS for the health service reforms improved yesterday after the Chancellor announced an extra £2.7 billion on health service spending — taking it to nearly £34 billion.

Health authorities in England will get an extra £1.7 billion in revenue, a real increase of 5 per cent. Total spending in England, including primary health care services, jumps by £2.2 billion to £27.2 billion, a 4.2 per cent rise in real terms. Health managers yesterday welcomed the settlement, the second substantial rise in two years, but warned that growth would quickly be eroded if inflation rose above the Chancellor's estimates.

The autumn statement uses a GDP deflator of 4.5 per cent. However, health authorities have already predicted that health service inflation will rise to 6.3 per cent next year, as three-quarters of spending is on staff. A survey by the National Association of Health Authorities and Trusts shows that managers expected pay rises of between 6 to 7 per cent for NHS staff, with prices about 5 to 6 per cent.

If inflation reaches this level, health authorities should still have some money left over to spend on service developments. The health department admits that demographic factors will account for about £80m and health service treasurers claim that last year's unfunded pay increases will take up another £120m, but this still leaves at least £300m for development. In addition health authorities are expected to find £200m in efficiency savings.

Yesterday William Waldegrave, the health secretary, conceded that health service inflation would depend on the pay review body awards which the government dealt with separately. However, in recent years, the bulk of the awards have been funded by the government, and this is likely to be the case in an election year. Nevertheless, Mr Waldegrave made it clear that settlements for other NHS staff would need to be responsible.

Announcing the "second excellent" settlement for the NHS, Mr Waldegrave said: "This demonstrates yet again in the clearest and most emphatic way our commitment

to invest in the future of the health service." He said that the new money should allow hospitals to treat even more patients next year and indicated that some of it would go on helping to reduce junior doctors' hours and on the new nursing education system, Project 2000.

In the past two years some money has been set aside to implement the NHS reforms but Mr Waldegrave said that no resources had been earmarked for next year. The infrastructure was now in place and third-wave trusts would need only a small amount of money to be set up, he said.

Capital expenditure for health authorities rises by £144m to £1,618m, 5 per cent, with about £200m expected from land sales, allowing faster upgrading of buildings.

Primary health care services are expected to rise more slowly than hospital spending. The government expects to spend an extra £324m next year, an increase of 6.3 per cent or 1.7 per cent in real terms. When income from prescription and dental charges are taken into account, spending on family health services will rise to £6.2 billion. Spending on personal social services goes up £20m to £139m.

Health authorities, managers and finance officers welcomed the Chancellor's announcement. The National Association of Health Authorities and Trusts called it "a good settlement", provided pay rises were kept under control. The Institute of Health Services Management said the increase was a welcome recognition of the financial strain under which the NHS had been operating to implement the reforms. However, the British Medical Association said that the announcement was "disappointing" and would do little to redress the severe problems from four decades of underfunding.



Howard fends off the worst

By PHILIP BASSETT
INDUSTRIAL EDITOR

RAPID and continuing rises in unemployment have forced the Treasury to take planned expenditure on unemployment and training to more than £4 billion for the first time, giving Michael Howard, the employment secretary, a significant win in the annual Whitehall spending contest.

The employment department has been a notable loser in the past two spending rounds. Norman Fowler was judged to have fought a poor round in his last year as employment secretary in 1989, and Mr Howard was unable to make it up in last year's spending negotiations.

He has not compensated for the cuts, but has fended off the worst of the Treasury's demands. The Treasury wanted real cuts in the budgets for employment this year. Treasury officials were keen to take the employment department below its present baseline spending.

Mr Howard however is a more seasoned Whitehall operator now, and has staved off the £345.5 million cuts originally demanded. Compared with his bid of £700 million, the £470 million he got is a good score in Whitehall terms.

The extension to three years of the Employment Action temporary work scheme for the long-term unemployed takes £178 million of the new money while programmed increases in running costs and

redundancy payments, which rise automatically with increasing unemployment, take this figure to more than £400 million, leaving relatively little new money for training.

Mr Howard said yesterday that the provisions confirmed the government's commitment to training and the unemployed. Tony Blair, shadow employment secretary, said Mr Howard had failed dismally to secure the

money in training spending that Britain desperately needed.

● Social security spending is to rise by an extra £4.25 billion next year to cover a sharp rise in unemployment, pensioners and new benefits for the disabled (Jill Sherman writes).

Planned spending will increase by 3 per cent a year in real terms over the next three years. Tony Newton, social security secretary, said spending would go up next year by nearly £6 billion to £70.6 billion, and to nearly £80 billion by 1994-5.



Trials of travel: extra money is now arriving to help British Rail and London Transport to counter the effects of the recession

Extra cash to cushion arms cuts

DEFENCE

By MICHAEL EVANS
DEFENCE CORRESPONDENT

THE defence budget has been given a significant boost by the Treasury, which has offered three years of extra money to help with the restructuring of Britain's armed forces.

Tom King, the defence secretary, has been awarded an extra £830 million next year, £1.12 billion in 1993-4 and £300 million in 1994-5. The extra cash is to help meet redundancy payments for at least 10,000 officers and non-commissioned officers, and to build premises for soldiers returning from Germany.

Redundancy payments alone will cost £1.29 billion over the next three years, according to defence sources. Another £1.14 billion has been earmarked for new buildings and refurbishing existing barracks. More soldiers will soon be able to move into modern accommodation, something for which the army has been pressing for a long time.

The deal also takes into account the cost of giving a key role to the British army in the planned rapid reaction corps. Britain is to supply two divisions, one based in Germany, the other in southeast England.

But in spite of the extra cash, the defence budget will continue to fall in real terms in the next three years. Excluding the costs of redundancies and Gulf war expenses, the planned budget for 1994-5 will be about 6 per cent lower in real terms than this year.

Record investment kept up

By MICHAEL DYNES
TRANSPORT CORRESPONDENT

TRANSPORT

INVESTMENT in transport will be kept at record levels, with significant increases in real terms for British Rail and London Transport to help to offset the impact of recession. Malcolm Rifkind, the transport secretary, said yesterday.

Commenting on the Chancellor's autumn statement, Mr Rifkind said that total transport investment in 1992-93 will rise to £7 billion, up almost £1.5 on the £5.6 billion of the current financial year.

About £3 billion will be spent on the national motorway and trunk road network, while £3 billion will go towards maintaining and im-

proving public transport. The remainder will be spent on transport projects including urban light rail schemes and a new flight control centre for the Civil Aviation Authority.

Mr Rifkind said that the extra money reflected the government's desire "to see a proper improvement in public services". Increased investment would filter through to passengers in improved services "week after week".

Support for BR in government loans and grants will be increased to more than £2 billion, up by almost £1 billion over the current financial year. Support for London

Transport will rise to £1.2 billion, up by £441 million, in 1991-92. There will be no extra money for the existing £20 billion roads programme, although spending will be maintained at current high levels, Mr Rifkind said.

The increases will enable BR and London Underground to press ahead with their ambitious investment programmes, both squeezed by falls in income from fares and property sales. "We are giving BR the tools. Now, it is up to them to get on with the job," Mr Rifkind said.

Welcoming the announcement, Sir Bob Reid, BR chairman, said: "This is a substantial increase and we can now get down to the work of planning our budget for next year." BR managers will have to decide how the increased funds will be divided between investment schemes. Most of the money is likely, however, to go towards preparations for Channel tunnel services, and improvements in Network SouthEast commuter services.

Government targets for eliminating the existing £186 million subsidy for Network SouthEast, and reducing the subsidy for Regional Railways by £94 million to £350 million by 1992-93, have now been formally abandoned, Mr Rifkind said. However, new targets would be set once the effects of the recession eased.

Wilfrid Newton, the London Transport chairman, said: "The government has clearly been persuaded that a modern and improved Underground is vital to London's prosperity."

David Green, of the Freight Transport Association, said the Chancellor had failed to recognise the importance of the roads programme.

Scotland gets 7% increase

The government promised extra funds yesterday to cushion the effect of job losses in two hard-hit areas of Scotland, including £25 million to safeguard the long-term economy and social structure of Lanarkshire after the loss of jobs in the steel industry (Kerry Gill writes).

A further £3 million will be made available for the Dumfries area, whose economy will suffer as the American naval base at Holy Loch is closed. The total available to the Scottish secretary next year will be £12,540 million, a 7 per cent increase.

More cash for green farming

Increased funds are to be made available to encourage environmentally-friendly farming. There will also be a decrease in the amount spent on subsidising prices under the EC's common agricultural policy.

Spending on the development and expansion of "environmentally sensitive areas" is to rise by £8.2 million in 1992-3, £28.9m in 1993-4 and £40.4m in 1994-5. The bulk of spending will continue to go on the common agricultural policy's support price system.

Arts world awaits awards

The arts minister, Tim Renton, has done rather well from the spending round: a funding increase from £561 million to £610 million, a rise of 4.2 per cent above inflation.

Mr Renton will announce today how he will share the money between the Arts Council, the British Film Institute, the Crafts Council, the national museums, the heritage funds and the libraries, including the British Library. There might also be cash for repairs to buildings such as the National Theatre.

Business rate

The uniform business rate in England will rise by 4.1 per cent from April, increasing the poundage payable by companies from 35.6p to 40.2p. The environment department said that if local councils had set the rate it would have gone up by a further 5 per cent to 45.3p.

Inner-city schemes to benefit most from spending rise

By DOUGLAS BROOM
LOCAL GOVERNMENT
CORRESPONDENT

SPENDING on the inner cities and housing will rise by £574 million next year as part of measures to prevent a repeat of this summer's disturbances on large city housing estates.

Michael Heseltine, the environment secretary, said spending would rise by a further £401 million in 1993. Whitehall sources said that the new City Challenge and Estate Action schemes would take a big share of the new money. Both schemes have been controversial because they require local authorities to bid against one

ENVIRONMENT

another for a share of government funds. However, Mr Heseltine believes that competition improves the quality of urban renewal projects.

City Challenge has provided £75 million this year for inner-city regeneration, and Mr Heseltine has been pressing the Treasury for more money next year to expand the scheme.

Estate Action will provide £270 million this year in loans to councils to revive run-down housing estates. The scheme was relaunched in February on a competitive basis. To win funds,

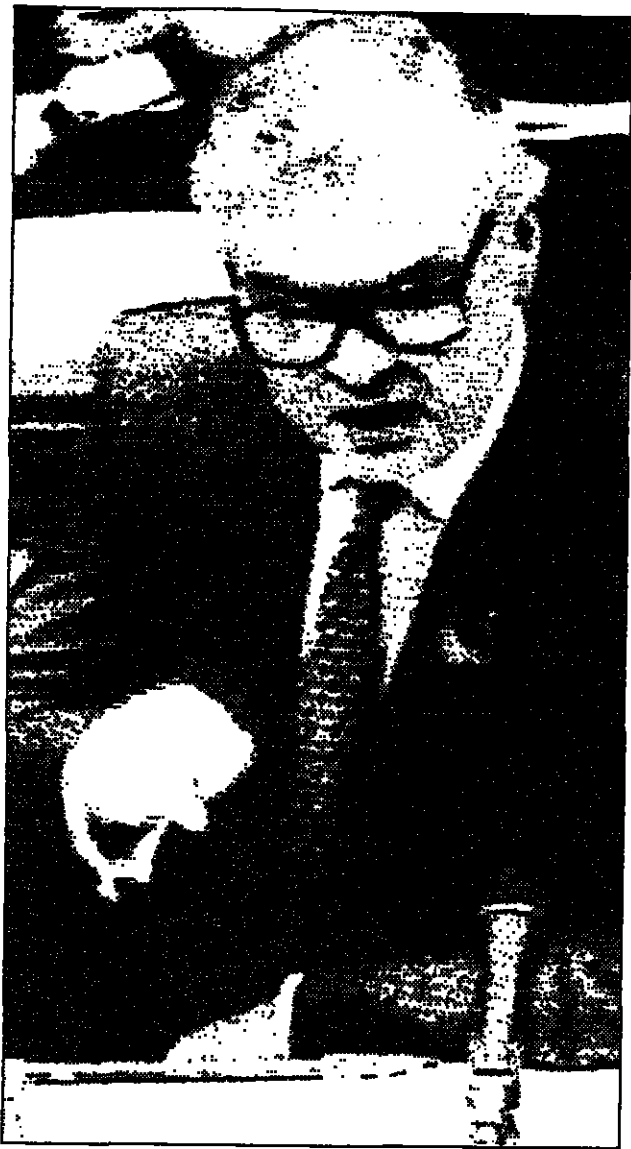
councils must involve tenants in their plans.

Not all the additional spending announced yesterday will be available for new projects, as some is earmarked to subsidise existing schemes. However, Mr Heseltine said he would have at least £200 million more than originally planned to spend in each of the next two years.

The Chancellor of the Exchequer also confirmed that total spending by local authorities would be allowed to rise by 7 per cent next year, to £41.8 billion. Government grants, value-added tax revenues and business rates will meet £33.1 billion of that total.



Urban flashpoint: police face rioters in Blackbird Leys, Oxford, in September



Lamont yesterday: spending under strict control

Lamont predicts renewed growth in the economy

NORMAN Lamont told MPs in his statement yesterday:

Firm control of public spending had been, and would remain, a key element in economic policy. Over the last decade, this careful and responsible approach has enabled us not only to cut tax rates and reduce public borrowing, but also to make substantial and well targeted spending increases in areas of priority. This approach would continue.

The prospect now is for renewed economic growth. But the recession has inevitably added to the pressures on public spending both this year and next. I expect public expenditure within the planning total to be almost £205 billion in the current fiscal year, slightly below the revised level I set in the Budget. An increase in programme spending, largely the result of weaker activity, will be offset by additional privatisation proceeds.

After four successive years of debt repayment, I made clear in the Budget that we would see a return to public sector borrowing this year. I now expect a PSBR in 1991-2 of £10.5 billion, about 1.75 per cent of GDP.

Last year, we made provision for substantial increases in expenditure over the next few years. So our objective in this year's survey has emphatically not been to make significant across the board additions to existing plans.

But I have judged it right to

Norman Lamont outlined his plans for increased government spending in his autumn statement yesterday. This is an edited version of what he said

allow expenditure to rise to meet the unavoidable consequences of weaker economic activity. Our priority has been to meet in full our commitments of society; to maintain the expenditure programmes which contribute most to the long-term strength of the economy; and to improve the quality of public services.

For next year, the planning total has been set at £226.5 billion, some £5.5 billion above the figure published in the PSBR. The planning totals in the two following years have been set at £244.5 billion and £258 billion respectively.

The planning total for 1992-3 assumes privatisation proceeds of £8 billion, the same level as we now expect in the current year. For the two following years, the level assumed is £5.5 billion, the same as in last year's plans. The new plans also include reserves of £4 billion, £8 billion and £12 billion respectively.

On health, once again, we have provided for substantial improvements to patient care. Planned NHS spending in 1992-3 has been increased by £1.5

billion. Total NHS spending in England will rise by 4.2 per cent in real terms between this year and next, and spending on hospital and community health services will rise by 5 per cent.

These latest increases will bring the total real increase in NHS spending since 1978-9 to well over 50 per cent. In England alone, this has funded an increase of 1.5 million acute in-patient and day cases a year, with 16,000 more doctors and dentists, 51,000 more nurses and 500 major capital schemes completed. At a time when tough decisions have been necessary across the range of public expenditure programmes, we could not have made our commitment to the NHS more clear.

The investment programmes of British Rail and London Transport amount to more than £2.5 billion next year and will contribute substantially to the efficiency and competitiveness of the economy. But their income from passengers and asset sales has been adversely affected by weak trading conditions. We have therefore provided for increases in finance of over £1.4 billion in 1992-3 to

support that investment.

Social security represents over a quarter of all public spending. We have added £4.25 billion to plans in 1992-3. This reflects both higher unemployment and increased take-up of other benefits. And in addition to full indexation of benefits, the new plans allow for higher rates of income-related benefits for disabled pensioners and those over 80, the Budget increase in child benefit, and the two new benefits for disabled people which come into operation next April.

The July local authority grant settlement made provision for an extra £1.4 billion of central government funding next year to maintain the new balance between local and central funding of local services that I announced in the Budget. The government is determined that this generous level of support should not be used to fund increases in spending at the expense of local taxpayers.

Approaching half of local authorities' revenue spending is on education. So the settlement should allow for a substantial increase in current spending on schools. And provision for capital work on all maintained schools next year will increase in real terms by 10 per cent.

Public funding for universities and polytechnics will rise by 4.6 per cent in real terms next year. This will help finance a further increase in student numbers, enabling one in four of our



Smith yesterday: voters will not easily be fooled

young people to enter higher education next year, compared to one in eight in 1979. By the end of the decade it should be one in three — a remarkable achievement.

The science budget, which pays for basic and strategic science carried out by the research councils, will rise by around 3 per cent in real terms between this year and next. By 1994-5 it will be over 7 per cent higher than it is now.

We have made additions of nearly £0.5 billion to employment spending in Great Britain next year.

The plans for defence include an increase of £830 million in 1992-3. They provide for the continuing costs of the Gulf conflict, in particular the replacement of ammunition and equipment. They also meet the transitional costs — redundancy payments and works — needed to implement the new force structure and to secure longer-term savings.

I expect public spending as a proportion of GDP to rise slightly in 1992-3, before resuming its downward trend. Even at its peak the ratio of public expenditure to national income will be significantly lower than the levels that had to be financed following earlier recessions. That is good news for taxpayers present and future, and good news for the economy. I now turn to national insurance contributions. The lower earnings limit at which national insurance contributions begin will rise by £2 a week to £54 in April, while the upper earnings limit for employees' contributions will go up by £15 a week to £405. The contribution rates for both employers and employees will remain the same, and the profits-related contribution rate for the self-employed will also be unchanged.

Over the last year, we have made dramatic progress on inflation. RPI inflation has more than halved, from nearly 11 per cent a year ago to around 4 per cent in September. Measures of underlying inflation have fallen too, though less sharply.

Also encouraging is the evidence of much greater realism in wage settlements. Average earnings growth has fallen from a peak of over 10 per cent to 7.75 per cent in August. And these figures almost certainly underestimate the speed of the turnaround.

As special factors drop out of the calculation of the RPI, inflation as measured by the RPI may rise slightly early next year, but it is forecast to fall back to 4 per cent in the fourth quarter. Underlying inflation will continue to fall. Producer price inflation, excluding food, drink and tobacco, is expected to be 3.5 per cent at the end of 1992, the lowest figure since the Sixties. The increase in the GDP deflator, the widest measure of inflation in the economy, is also expected to fall next year.

The best performing economies are low-inflation economies. Our objective is to match those economies, or better

them. And our achievements on inflation are essential steps along the way.

To achieve that objective we have followed a prudent and cautious monetary policy, whose credibility has been underscored by our firm commitment to the ERM. The success we have achieved on inflation has allowed me to cut interest rates without jeopardising sterling's position in the ERM.

As inflation and interest rates have fallen, it has become increasingly clear that we are emerging from recession. Consumer spending fell in the year to the second quarter of this year, but has been rising slowly in recent months. Service sector output seems to have stabilised in the second quarter, and manufacturing output may also now be picking up, though again slowly.

The monthly rate of increase in unemployment peaked in March and is likely to moderate further in the next few months as recovery gets under way. Consumer confidence has increased throughout this year as mortgage rates and inflation have come down, and is likely to go on rising as the fear of unemployment begins to abate. I expect to see personal consumption rise by 2.5 per cent in 1992, providing impetus to the recovery.

Output is likely to fall by about 2 per cent this year. But this fall is now behind us; the economy may already have started to pick up. I expect GDP to rise 0.75 per cent in this half year.

With consumer spending expected to go on rising, an end to the business investment recession in sight and the run-down in stocks likely to slow, I expect GDP to rise by 2.25 per cent next year. Growth will gather pace, though, the year. The increase in output from the second half of this year to the second half of next is expected to be 2.75 per cent.

Our exports of manufactures have shown renewed vigour, up 5 per cent in volume terms over the past year. Our volume share of world trade in manufactures looks as though it may rise again in 1991, for the third year running.

The current account deficit in the first nine months of this year was under £5 billion. For the year as a whole, we are on track for a deficit of about £5 billion, or 1 per cent of GDP, half the size of the deficit in 1990 and closely in line with my Budget forecast.

Some rise in the current account deficit is to be expected at this stage of the cycle, though I expect the rise to be moderated by a continued good performance on exports. The current account deficit is forecast to be £9.5 billion, or 1.5 per cent of GDP, in 1992.

Investment usually lags the cycle in total activity. But it is likely to rise from about the middle of next year as profitability recovers, company finances improve and a general pick-up in activity gathers pace.

'Confidence trick' is condemned

JOHN Smith, the shadow Chancellor, condemned a "confidence trick in the making". He accused the government of being engaged in a process of deception that would not fool the voters at the general election. The government, he said, could not increase spending and cut direct taxes, as it had promised, without raising VAT. "Before the 1983 and 1987 general elections the government made expansive announcements about public expenditure increases. Yet the following years were years of cutback."

One example of that technique was contained in the public transport proposals. The external financing of British Rail was forecast to increase by £500 million in the next year. But the forward plans showed that it would be cut by £1 billion between now and 1995. Mr Smith said: "This is abundant evidence of yet another confidence trick in the making."

Recalling last year's statement, Mr Smith said: "Far from coming back on track, we have experienced a deep and damaging recession." The cost in human terms was 45,000 business failures, 85,000 house repossessions, and unemployment rising by 750,000.

"That is the price Mr Lamont thinks is worth paying by the people. The Chancellor today has provided the evidence which condemns the prime min-

ister's economic forecasts [last year] as no more and no less than a gigantic confidence trick. The House and the nation will be well advised to have scepticism any economic forecast this government provides, let alone a forecast which covers a period which must include a general election. Given its past performance, it will be no surprise that once again the government is promising good times just around the corner."

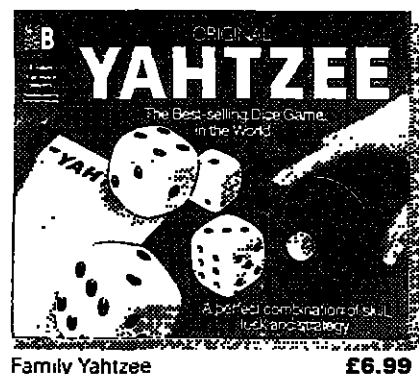
Mr Smith cited predictions from commentators of a continuing fall in investment and asked: "How can we be expected to believe Mr Lamont's forecasts of successful and sustained recovery if in the year ahead investment continues to fall and unemployment to rise?"

There would be no increase in real terms, he said, in the youth and employment training budgets, and the real increase for education would be 4 per cent, not 8 per cent. The employment budget rise would go almost entirely to paying for the extra cost of unemployment.

Mr Smith said: "At the same time as this government gives the impression that it is committed to increasing public expenditure, it is simultaneously — and the prime minister and the Chancellor both do it on every occasion — making promises to cut the standard rate of income tax not just to 20p but below that."

The government's record on economic growth was pathetic.

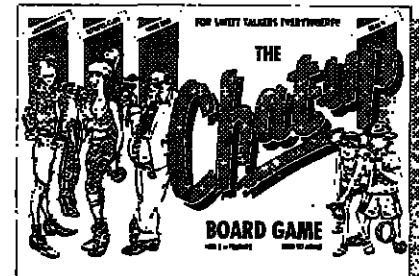
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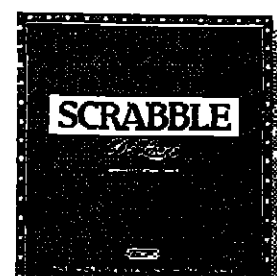
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A-level league tables Parents need new way to assess results

By DAVID TYLER, EDUCATION EDITOR

SCHOOL performance can be judged fairly by comparing A-level results with the pupils' GCSE grades, according to a report published today. Under the schools bill, given its first reading yesterday, schools will have to publish the results of all public examinations, national curriculum tests and truancy rates.

The Audit Commission says that there has been criticism of league tables that deal only with raw A-level results at grades A and B and do not judge the effectiveness of schools in dealing with pupils of varying abilities and backgrounds. The commission says there needs to be a "robust way" of judging a school's performance.

When that is done, it says, state schools do as well as independent schools in improving the A-level results of their pupils. A survey of 1,721 pupils aged 18 who took A-levels in 1988 showed that those in independent schools were significantly better qualified than those in state schools, tertiary and sixth form colleges while those in further education colleges were less well qualified.

Any attempt to compare the A-level performance of the different institutions should take those differences into account, the report says. No single type of institution appears consistently to do better than others but the higher A-level results of independent schools can be explained by their higher than average GCSE qualifications. The report says that when GCSE qualifications are taken into account, independent schools do no better.

The report, compiled by Sheffield University, says that GCSE grades at 16 are the most important predictor of A-level performance and suggests that a system based on GCSE results compared with

the A-levels obtained would provide a fair way of judging a school's ability to give value-added education.

A school whose intake of students into the sixth form had poor GCSE grades and where A-level achievements were modest would nonetheless be ranked as achieving high value added if the A-level results were higher than might be expected from the standard of the intake, the report says.

For example, a student who had three grade Cs and one E at GCSE and went on to gain two A-levels at grade D would have done comparatively better in value-added terms than a student who had four As and a B who went on to win two Cs at A-level, although the latter results appear better.

Two other factors make a small but consistent difference, according to the researchers. Starting with the same GCSE results, boys do marginally better than girls and those whose parents are graduates do better than those who are non-graduates.

The commission suggests that GCSE grades A to E should be scored from seven to one and compared with A-level grades A to E scored from five to one. The report does not take AS levels into account, although they would be part of results published by schools under the government's proposals for the parent's charter.

Howard Davies, controller of the commission, said students and parents have no consistent information to help them to judge the various options open to them. "Ultimately, we hope to devise a way of measuring schools' and colleges' performance."

Two As or Not? Schools' and Colleges' A-level Performance (Audit Commission, Nicholson House, 41-43 King's Cross, Stoke Newington, London, N16 9PU; £5)



Stamp of approval: David Halberg, left, a sub-postmaster, and his baby son, Jonathan, with Edward Leigh, the trade minister, yesterday when he was one of nine recipients of Post Office bravery awards in London. Mr Halberg, aged 28, was holding Jonathan when shot by raiders earlier

this year at a sub-post office at Polegate, Eastbourne. Although Mr Halberg suffered chest injuries and his son was covered in broken glass, he set off an alarm and the raiders fled. Others honoured, and praised by Mr Leigh for "courage and loyalty", included a postman, Gary Scott

Evans, aged 23, who, after being knocked out, fought two men trying to steal his van. He leapt on to the moving vehicle and pulled out the ignition key. A sub-postmistress, Usha Kaler, aged 32, who tricked raiders at Luton, Bedfordshire, was honoured with her husband, Kishor, aged 37.

Village halls treated unfairly, say volunteers

By JOHN YOUNG

THE village hall, a staple element of rural life, is under threat and could go the way of many a village church, pub, shop and post office, fear its defenders. With the disappearance of such institutions, they say, the hall is often a village's only meeting place, but the government has failed to recognise its social importance.

Yesterday more than 100 members of the Village Halls Forum, representing rural community councils, women's institutes and other bodies, gathered in London to discuss the plight of many of England's 8,500 village halls.

They called for fairer treatment for

the buildings, nearly all run by volunteers on a charitable basis. Sheila Rowley, village halls adviser for the charity Action with Communities in Rural England, said that among the main complaints were sharp increases in rates, even after rebates allowed to charities. Some rateable values in Cambridgeshire had risen from £22 to £3,850 and in Somerset from £60 to £3,650 and from £98 to £1,500.

Several new laws such as the Food Safety Act 1990 were said to be causing problems. Christine Swan said that the village hall at Mayfield, East Sussex, which served more than 30 organisations, was faced with a bill of up to £25,000 to update its kitchen

and toilets. Fire regulations were felt to be another problem: Ian Clements, from Hereford and Worcester, said that about 300 village halls in the county would need to fit electrically operated fire alarms, extra emergency lighting, flame-proof curtains and other facilities.

Mrs Rowley said that many county councils had provided loans to village halls and had given 100 per cent rate rebates — and there were such familiar methods of raising money as jumble sales and whist drives — but the government's attitude left much to be desired. For example, the national loan fund financed by the Rural Development Commission carried a

13 per cent annual interest set by the Treasury. "This is a commercial rate which is far too high for a scheme intended to help charities providing a public service through voluntary effort," she said.

William Powell, Conservative MP for Corby and East Northamptonshire, and parliamentary private secretary to Michael Heseltine, the environment secretary, said that since the Sixties villages had become dormitories for commuters and retired people, and the village hall played a central part in managing and controlling this revolution. He called for a campaign to persuade the Chancellor that more must be done to ensure that they flourished.

Submarine hits fishing vessel

An American nuclear submarine on passage to Portsmouth collided with a French fishing boat off the Channel Islands. The *Le Nohic* began to take on water but none of the five-member crew was injured (Paul Wilkinson writes).

Other fishing craft and the USS *Spadefish*, which was on the surface at the time, stood by until a French helicopter arrived with pumping equipment. A tug later towed her to a French port.

The collision brought fresh calls for international controls on submarine movements from the Celtic League pressure group, which monitors maritime incidents around Britain.

Artist's record

A record has been set for the French abstract artist Robert Delaunay, at \$5,178,000 (£2.9 million), in the sale of the Tremaine collection of 20th-century art at Christie's New York. Its star painting, *Le Petit Déjeuner*, by Fernand Léger, made £4.3 million. Both works went to European collectors. The sale totalled a £10.7million, with 84 per cent sold, despite the art market's depressed state.

Theatre fined

Negligence by the owners of the Theatre Royal in Drury Lane, London, led to an electrician falling head first through a trapdoor from a 27 ft gantry onto the stage during a performance of *Miss Saigon*, breaking an arm and wrist and suffering severe concussion, a jury at Southwark Crown Court decided yesterday. Stoll Moss Theatres was fined £5,000 and ordered to pay £5,000 costs.

Verdict quashed

Aman Khan, aged 33, an Aberdeen restaurateur jailed for ten years for smuggling £2.5 million worth of heroin into Britain, should not have been convicted, the Court of Criminal Appeal in Edinburgh has ruled. It left it to the Crown to seek a re-trial. Lord Hope, Lord Justice General, said that jurors should have been directed to consider all of a statement that was both incriminating and exculpatory.

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Bush keeps eye on domestic ills

IT WAS the T-shirt that did it. "George Bush went to Rome," it read, "and all I got was this lousy recession."

Until this week the president was defending himself confidently against charges that he was paying too much attention to foreign affairs and not enough to the American economy. But on Wednesday night, as the worst poll result of his presidency loomed in Pennsylvania, President Bush decided that he had to stop the rot.

He could not cancel his trip to the Nato summit in

Peter Stothard in Washington reports that the president has had to cancel foreign trips and admit that home is where the heat is

Rome, which began yesterday, but he could call off a ten-day tour of the Pacific later this month. Overruling US State Department worries about the offence that would be taken in Japan, Mr Bush decided to stay at home.

He told reporters before he left for Europe that he hated to be going away because he needed to be in Washington to keep an eye on "all the crazy things that can happen in a Democrat-controlled Congress". White House aides, some of them rattled and disappointed by the president's apparent buckling under pressure, confirmed that his own damaging image as a "frequent flier" had caused the change of plan.

Mr Bush said yesterday that he was depressed by the Pennsylvania defeat of Richard Thornburgh, his former attorney-general, whose campaign for the Senate had been characterised by Republicans as a "dress rehearsal for the 1992 presidential

race". Mr Thornburgh, twice state governor, began with a 44-point poll lead and campaigned on a mixture of conservative moral issues and nostalgia for the good times of the 1980s. His opponent, Harris Wofford, campaigned on economic issues and the need for a national health care system.

The result — a ten-point Democrat victory — was interpreted by Pennsylvania's senior senator, Republican Arlen Specter, as a "wake-up call for the White House". Health care is now likely to be an important item on the 1992 agenda, Mr Bush called an unusual 7am press conference to show that he understood the voters' concern. "They're hurting out there," he said.

The Thornburgh defeat, which puts a Pennsylvania Democrat in the Senate for the first time in 23 years, was an additional disappointment for the White House because it drew attention away from a nationwide shift against incumbents, which

broadly benefited Republicans. State legislature elections in Virginia and New Jersey registered big Republican gains. In Mississippi, Kirk Fordice, a building contractor, defied poll predictions to oust the incumbent, Ray Mabus, and become the first Republican governor since 1874. In Kentucky, Breton Jones, a Democrat, took advantage of his Republican opponent's involvement in the recent congressional cheque-bouncing scandal.

In Mr Bush's adopted home town, Houston, Kathy Whitmire, the mayor, was defeated. The well-known San Francisco mayor, Art Agnos, only barely managed to force a run-off.

The nation's most drastic anti-incumbency measure fell, however. The Washington state ballot initiative, which would have retrospectively limited legislators' terms in office and ended the career of Tom Foley, the House Speaker, won only 46 per cent of the vote. The much-publicised "death with dignity" initiative to legalise some instances of euthanasia also failed.

Mr Bush emphasised yesterday that it was important to act on the wishes of all voters, not just those

who had defeated Mr Thornburgh. He pointed out the opposition to tax increases registered by New Jersey voters and promised that when he produced his own health care plan it would reflect the views of all sides.

Americans were told by Mr Bush to "stay tuned" for the White House health plan. But they are likely to remember yesterday above all as the day they sent the president unpacking.

Mr Bush will not make remarks again about his preference for diplomatic rather than domestic wranglings. He will stick to his rational, personal belief that it is impossible to divide home from foreign affairs in a global economy. But he is unlikely to try to educate voters to this truth.

The reverse side of the Democrats' T-shirt featured a list of the countries visited by the president under the title: "George Bush — the anywhere but America tour". This theme will be pumped for all it is worth: that there are five Romes in America more important than the one in Italy, that the Madrids of Nebraska, Iowa and New York care little for Middle East peace talks, that London, Arkansas, needs a special relationship too.



Wave of success: Harris Wofford, who campaigned on health and economic issues to beat Richard Thornburgh in the Pennsylvania senate race

Suicide proposal defeated

Seattle — Washington state voters have rejected a proposal which would have made their state the first jurisdiction in the world to allow doctor-assisted suicides for terminally ill patients.

Opponents of "Death with Dignity" Initiative 119 declared victory yesterday in their battle to defeat the euthanasia measure, which failed by an eight-point margin with 98 per cent of districts reporting. "We sent a resounding message to the world: vote 'no' to legalised killing of the dying and of the elderly," said Eileen Brown, a hospice nurse who led the opposition.

But Jack Kevorkian, a doctor who invented a suicide machine, said that regardless of the outcome, the debate provided "a good start — there are so many people who are terminal and in great agony".

Derek Humphry, the founder of the Hemlock Society, said that the defeated ballot had served to increase public understanding of the "right-to-die" issues which he has promoted (Reuters)

Hunger strike

Peking — Six dissidents jailed after the 1989 pro-democracy protests are preparing to start a hunger strike next Friday, the day James Baker, the US Secretary of State, arrives in Peking. He is expected to tell Chinese leaders they must make concessions on the treatment of political prisoners if relations are not to worsen.

Dying flames

Burgan Oilfields, Kuwait — The last oil-well fire in Kuwait has been extinguished eight months after retreating Iraqi troops set most of the country's wells ablaze. Sheikh Jaber Ahmed al-Sabah, the emir, formally threw a switch to seal the well, marking the end of the worst oilfield disaster in history. (Reuters)

Snub for Japanese leader

By DAVID WATTS
DIPLOMATIC
CORRESPONDENT

JAPAN'S new prime minister, Kiichi Miyazawa, had barely taken office promising a greater world role for his country yesterday when President Bush undermined a key element of his foreign policy by cancelling a long-delayed visit. The cancellation is all the more inexplicable at a time when Washington is seeking to pressure Japan into opening more of its markets, and funding aid to the Soviet Union, its traditional enemy.

The snub is wounding for Japan's pride since there has been no official American presidential visit to Tokyo since 1983. More importantly for an incoming Japanese leader, he cannot now visit the United States, his traditional first overseas engagement. This deprivation may turn out to be crucial for Mr Miyazawa, whose narrow power base makes him vulnerable.

The cancellation is also detrimental to Mr Bush's domestic economic policies: a key purpose of the visit was to follow up on American efforts to crack open the Japanese market in certain areas. As one foreign observer in Tokyo put it: "The Americans don't seem to realise where their own interests lie. Bush is going off to Nato to talk about a lot of cartoon communists. Nato doesn't matter; America's real problems are... with Japanese economics."

Though America's foreign trade deficit is declining, the Japanese part of it is not, and 75 per cent of that deficit is in Japanese cars and car parts. A new Congressional Research Service report bears out the efficacy of American pressure on Japan: the sectors in which Washington has been negotiating are showing the greatest increase in imports from the Japanese.

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'Murder capital' puts onus on gun traders

From MARTIN FLETCHER IN WASHINGTON

LET down by politicians, sick of the carnage in the "murder capital" of the United States, the citizens of Washington DC have, by a large majority, approved legislation that would make gun makers and merchants liable for deaths or injuries in caused by assault weapons they had traded.

There were 483 killings in Washington last year and been 410 in the first ten months of this. The city council abandoned similar legislation in February when Sharon Pratt Dixon, the mayor, said it would discourage Congress from giving the city extra federal funding. On Capitol Hill, the National Rifle Association holds sway.

The city's black clergymen then began using their pulpits to rally support for the legislation and gathered 27,000 signatures in support of a referendum. That referendum, held on Tuesday, won 77 per cent support. The result demonstrated "great citizen unrest and despair in our efforts to end the violence", said the Rev H. Beecher Hicks, one of the ministers who had participated in a prayer service on gun violence on Tuesday.

Bill McIntyre, a spokesman

for the National Rifle Association, said: "It is completely unconstitutional and violates long-standing principles of jurisprudence. This would be the equivalent of making Ford or Chevrolet liable for the criminal misdeeds of drunk drivers or bank robbers who used their cars." He said the



NRA intended to throw its weight behind the defendant in the first lawsuit.

The gun dealers who supply Washington's gangs are mostly located in Maryland and Virginia, the city having outlawed gunshops in 1975. The NRA hopes that even if the legislation is ruled unconstitutional, it will prove unenforceable across state lines.

Storm havoc delays the homecoming as Marcos family stakes its political claims

Dictator's son maps out route to power

FROM JOANNA PITMAN IN MANILA

BONG Bong Marcos, or Ferdinand II as his mother Imelda calls him, is planning his ascent to the Philippines presidency that was hastily vacated by his father, Ferdinand, in 1986.

Excited crowds pressed against the gates of the luxury Malacanang palace, demanding an end to the 20-year Marcos dictatorship, during those last heady days. It is said that Bong Bong, dressed in battle fatigues, tried to persuade his ailing father to fight an heroic last battle against the "people's power revolution".

Today he is more measured. Speaking with the polished vowels of a Sussex public school and Oxford University education, he mapped out his political agenda, which starts with the governorship of Ilocos Norte, the northern province where his father was born. "They love me because I'm his son," he said. "Ilocos is where I begin but I am working for the whole nation. I am sick of the

image of the Philippines as a nation of domestic servants, as the little brown brother of America".

Bong Bong, whose name must be the strangest seen on his St Edmund's Hall staircase, is named after the wartime codename adopted by his father. He is quite serious about politics and says he is unhappy with the Marcos Aquino family feud that has racked the country for almost three decades, breeding vindictive tactics among the losers, which have blocked progress. "This kind of politics is utterly counter-productive and must stop. We need issues not names."

But if Bong Bong wants an end to dynastic personality-driven politics, his mother, Imelda, has other ideas. After six years in exile, the "Iron Butterfly" arrived in Manila on Monday with several hundred journalists, and has captured everyone's imagination. The old band of Marcos accomplices is delighted and is gleefully encouraging Mrs

Marcos to run for president next May.

Both President Aquino, whose husband, Benigno, was assassinated in 1983, and Mrs Marcos are both being coy about their plans, but many people are gearing up for what could become the "war of the widows". In the red corner, under the banner of the opposition Nacionalista party, Mrs Marcos captured an early advantage with her bombastic performance on arrival and her pledge to "shower my people with love".

Her putative opponent could not be more different. Fighting under the yellow banner of the ruling LDP (Laban ng Demokratikong Filipino party), Mrs Aquino will have to revive the image that provoked millions to join her in the 1986 revolt that toppled Marcos. All along she has promoted herself as the aggrieved widow of a murdered Marcos opponent, a self-effacing former housewife who stands for the forces of good against evil.



Washed out: a woman carrying her child through shallow floodwater as another child surveys the damage in the Philippines town of Burauen, on the island of Leyte, which was the worst hit by the tropical storm Thelma

2,000 die as flood sweeps islands

FROM ABBY TAN IN MANILA

FLOODS and landslides, the worst for many years, killed at least 2,260 people and destroyed thousands of homes across the south-central Philippines, relief officials said yesterday. The havoc was a result of the tropical storm Thelma, which struck on Tuesday, virtually submerging many towns and villages and devastating the landscape.

The bodies of children who were drowned in water up to 10ft deep lay in the streets of Ormoc, on the island of Leyte, the worst-hit town. The dead lay in piles in every street in the town.

Emilio Osmena, the governor of the neighbouring island of Cebu, said: "People are walking around like zombies. Everyone has a death in the family." He was speaking after flying to the town of 120,000 inhabitants to inspect the damage.

Rescue workers used municipal lorries to ferry 50 bodies at a time to the local cemetery, according to a journalist on the scene. Residents dug common graves for those not identified or claimed by relatives. In the streets the bodies were being covered with plastic sheets and nets. Leopoldo Petilla, governor of Leyte, appealed for supplies of formalin as the still unburied bodies began to decay. Maria Victoria Locsin, the mayor of Ormoc, said: "There at least 2,000 dead here."

As the floodwaters receded, scenes of devastation were revealed. Bridges were broken and houses destroyed. Fallen telephone poles and electricity pylons and uprooted trees littered the landscape. Relief and rescue workers said scores of people were still unaccounted for and at least 50,000 people had been made homeless. Another 34 people died on Negros island, which lies to the west of Cebu, as the heavy storm clouds tracked into the Sulu sea.

Porfirio Labugay, the captain of an inter-island ferry, who brought his vessel to Cebu, told reporters: "I saw bodies and animals - cows, pigs - and household appliances floating in the sea off Ormoc city. There were cars that I could see underwater in the port area. Divers were trying to retrieve bodies trapped inside them."

Residents say they cannot recall seeing flooding of such magnitude. "My 84-year-old mother said she had never experienced a flood like this," Edgardo Enerian, the mayor of a nearby town, said. Residents say the suddenness of the flooding may have been because of over-logging of the nearby mountain.

As a result of the flood, Imelda Marcos, the former Philippines first lady, cancelled her trip to Leyte, her home province, yesterday. Her spokesman told reporters that Mrs Marcos's visit would now go ahead tomorrow.

Vietnam imprisons refugee

FROM JONATHAN BRAUDE IN HONG KONG

A VIETNAMESE man who returned home voluntarily from Hong Kong earlier this year was arrested, beaten and imprisoned as soon as he arrived, despite Vietnam's long-standing promise not to punish or persecute boat people returning from camps throughout southeast Asia.

The news broke days before Hong Kong plans to deport the first group of about 60 boat people on Saturday under an agreement reached with Hanoi last month to take back tens of thousands of Vietnamese. It is feared the incident could undermine the refugees' faith in Vietnam's commitment not to persecute or punish volunteers or deportees returned from the camps.

Details of the case, confirmed by the Hong Kong government and the United Nations High Commissioner for Refugees, emerged in a letter to the UNHCR from Danang. The letter said the man was accused of stealing the boat in which he went to Hong Kong and he was held for nine days before the charges were dropped. Robert Van Leeuwen, the UNHCR head of mission in Hong Kong, said he had sent a monitor to investigate the allegations. He had found no evidence of persecution. Lawyers in Hong Kong said, however, that there could be unreported cases because those wishing to claim they had been persecuted fear retaliation.

Bernard Levin, page 20

Bureaucrats revive apartheid legacy

FROM GAVIN BELL IN JOHANNESBURG

SOUTH Africa is a little smaller today by 124 square miles to be precise. The shrinking has less to do with geology than with the outmoded racial doctrine under which the land has been transferred from South Africa to the nominally independent tribal homeland of Bophuthatswana.

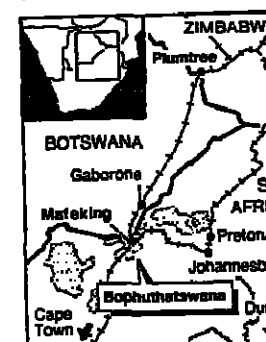
Such territorial sleight of hand was common in the bad old days of Verwoerdian apartheid, when tracts of land were hived off to "bantustans" which served as black labour dormitories for the white economy, and as dumping grounds for those whose labour was not required. In the "new" South Africa being forged by President de Klerk, however, the continuation of the policy has caused an outcry, all the more so since there is general agreement that the days of the homelands as autonomous entities are numbered.

"Claims that apartheid is being dismantled sound somewhat hollow when bantustan consolidation is proceeding," says the ANC's land commission. While favouring the distribution of land to poor black communities, it claims that land ceded to Bophuthatswana invariably ends up in the hands of the privileged civil service elite.

Peter Soal of the Demo-

cratic party agrees. "One can only assume that some unintelligent bureaucrat is unaware that he is implementing a policy which was abandoned almost two years ago." Referring to the repressive regime of Lucas Mangope, the Bophuthatswana president, he says: "To reward an administration which has behaved very badly with regard to human rights is totally unacceptable."

Jacob de Villiers, the minister of land affairs, argues that parliament approved the transfer in 1980.



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Nato comes to terms with new Europe



Leading light: Manfred Wörner, Nato's secretary-general, in good humour yesterday for the start of the summit

NATO has been in trouble ever since the collapse of the Warsaw Pact, its old enemy, not because it is incapable of reacting to the changes in Eastern Europe and the Soviet Union, but because it has had trouble judging how far to go.

Gianni de Michelis, the Italian foreign minister, yesterday called on the alliance to give a security guarantee to Moscow's former East European allies. Even if they could not be accepted into the alliance, he said, Nato should find a way to involve them.

Beyond this question, however, the recent squabble over how the European members of Nato can play a bigger part in defending themselves has thrown up a number of fundamental questions that have yet to be answered in unison by all 16 members.

For example, will Europe one day no longer need the protection of the United States? Is there a need for a separate European army at arm's length from the Americans and Canadians and responsible for dealing with potential conflicts outside the traditional Nato area? And, using the phrase that all alliance diplomats now do, should the European political union deepen before widening? In other words, should it resolve the question of embracing a common defence

The Franco-German proposals for a European army will be at the centre of the Nato summit which begins in Rome today. Michael Evans reports

and foreign policy strategy before allowing new countries to join?

These questions, fruitful ground for doubt and disagreement, will be manifest at the Nato summit starting in Rome today, and also at next month's European Community summit at Maastricht. But there is, in fact, a large area of common ground on the key issues.

Both Britain and France believe the US military presence in Europe and the American nuclear umbrella must stay. The Germans agree. France and Britain also believe in strengthening the so-called European pillar of Nato.

The trouble is these shared views tend to get lost in the public posturing. For example, the Franco-German corps idea at first provoked an outcry in London. Since then, there has been much political backtracking. The Germans indignantly reassured their Nato partners that the corps was not an attempt to provide a rival force to Nato's military structure. Bundeswehr troops

would be double-hatted, that is, they would belong to both forces.

But there are crucial nuances which, if not ironed out, make the Franco-German proposal unworkable. For example, how can the Germans take part in a European force for out-of-area operations when their constitution prohibits it? And how can the French participate in this new force inside the Nato area since they are not integrated into the alliance military structure?

This apparent contradiction, however, is not as intractable as it seems. The German argument is cunning: if Bonn's partners in Europe can agree on a proper European defence identity, linked but not subsumed into the European union, all the main political parties in Germany will support a clarification of the constitution, allowing out-of-area troop deployments.

The French impasse is more difficult. But if France can be persuaded to conform to Nato procedures in a European force operating inside the

Nato area, this would surely be a good way of bringing the French more closely into the alliance military family.

British suspicion of French motives is understandable, because the government sees the Franco-German initiative as part of the wider political argument about European union, and the role of the alliance after the end of the Cold War. But the continuing need for Nato and the transatlantic link is not in doubt, certainly not in the minds of the French and Germans. What has to be decided, both for the future of Nato and the future of Europe, is how the defence responsibilities are to be changed around.

Leading article, page 21



De Michelis: called for security guarantee

Kohl says alliance is key element in defence strategy

From IAN MURRAY IN BONN

HELMUT Kohl, the German chancellor, flew to the Nato summit in Rome yesterday after promising the Bundestag that the alliance, and not the Western European Union (WEU), remained "the un-negotiable foundation for a stable security policy in Europe".

In a speech setting out government policy before the Nato and European Community summits, Herr Kohl was at pains to soothe the American and British concerns that Germany was considering making the WEU responsible for European security. He remained adamant that Germany wanted a treaty on political union agreed at Maastricht, including qualified majority voting on security and foreign policy. His aim was, he said, to see EC foreign policy "anchored in a community institution" and involving the European Commission.

Herr Kohl emphasised that German troops in the European army, which he and President Mitterrand proposed last month, would not act independently from Nato. However, he said, "A united Europe is, in the long run, unthinkable without a common European defence." Herr Kohl said that the fighting in Yugoslavia was a good example of why Europe should have its own common foreign and security policy. Germany would continue to press for the EC to recognise the independence of the Yugoslav republics.

He said a strengthening of the European pillar of Nato was needed, "such as our transatlantic partners have long demanded". To achieve this, he said, the WEU members needed regular political consultation to form a joint position on all major questions, while there had to be closer co-operation between the alliance and the WEU and between the EC and the WEU. On a military level, in close co-operation with the alliance, a military planning and co-ordination staff needed to be formed and there had to be stronger logistical and armaments co-operation with the aim of creating a European armaments agency.

It was noticeable that the chancellor's speech was conciliatory about Nato on the eve of the alliance summit, while, with Maastricht still

five weeks away, Herr Kohl maintained a tough line over the EC. He showed that on monetary union Germany is still at loggerheads with France about the status of the European Monetary Institute, which would temporarily control the policy.

He pelted out long-known German positions on political union, suggesting that there had been no real change in attitudes despite months of negotiation. Though Britain has made it clear, for example, that it will not agree that immigration controls should come under EC laws, Herr Kohl insisted that this would be an essential element of the Europe of the future. He added that the European parliament must be allowed to elect members of the European Commission.

Immigrant population rises to 5m

Paris — Official figures published yesterday show that some 100,000 immigrants arrived in France last year, raising the proportion of the total population born outside the country to almost 9.5 per cent. When illegal immigrants are included, this would almost certainly increase to around 10 per cent, or more than five million people (Philip Jacobson writes).

According to the government's special commission on integration of immigrants, Africans — especially those from North Africa — and Turks are now at the forefront of foreigners settling in France.

Reprieve for HQ

Brussels — The Belgian government said that the Berlaymont building, which houses the European Commission, may not be demolished, but reconstructed, to remove asbestos which is forcing 3,000 Europeans to move out.

Top tipplers

Paris — Japan has overtaken the United States to become the world's biggest drinker of cognac, importing 26.9 million bottles during the year until August 31, the French national cognac association, BNIC, said. (Reuters)

French pass harsh judgment on left

From PHILIP JACOBSON IN PARIS

FRENCH voters yesterday passed their harshest judgment yet on the Socialist government when an opinion poll suggested that no candidate of the left can hope to win the next presidential election. Barely 25 per cent of those polled intend to support a Socialist, whoever stands, while more than 50 per cent would back either of the two most likely conservatives.

According to the BVA/Paris Match poll, neither Michel Rocard, who was sacked as prime minister earlier this year, nor Jacques Delors, whose name has been extensively canvassed as a possible Socialist successor to President Mitterrand, would have much chance. Running against either man, either Jacques Chirac, the former conservative prime minister and leader of the RPR, and Valéry Giscard d'Estaing, M. Mitterrand's conservative predecessor, who heads the UDF, would win a clear majority.

Although M. Mitterrand's term does not expire until 1995, his unconvincing recent leadership has created growing tension within the Socialist party as it grapples with a multitude of social and economic problems. Whatever his aides say officially, it is by no means certain that he will hang on until the last moment.

While the endless squabbling within the mainstream parties of the right has seriously weakened their challenge to the present minority government, the fact that voters appear to prefer M. Chirac or M. Giscard d'Estaing to any candidate on the left will be seen as another nail in the Socialists' coffin. With Edith Cresson now the most unpopular Fifth Republic prime minister, and M. Mitterrand's standing in the polls also falling steadily, the political outlook has never seemed so bleak.

Yesterday's poll also confirmed the growing strength of Jean-Marie Le Pen and his extreme rightwing National Front, which is riding high on the sensitive issues of immigration and law and order.

Depending on how the "respectable" right goes into the next presidential campaign — specifically, whether M. Chirac and M. Giscard d'Estaing both stand independently — he could be expected to collect between 15 and 17.5 per cent of the vote on the first round (roughly twice as much as any communist candidate).

FROM LITTLE ACORNS...



In 1295, Good King Vaclav II of Bohemia founded the town of Pilsen. He was an affable old ruler and granted numerous privileges to the town's inhabitants. One of these being the right to brew beer. According to ancient folklore, the readiness of the beer was tested in a rather bizarre way. Inspectors would pour the beer onto oak benches, then sit on it in leather breeches. Apparently, if the beer stuck to the leather it meant the brew was of the required density. Of course, these were humble beginnings indeed in the art of beer-making. But it was the start of a wonderful brewing history for the town of Pilsen. For in 1842 the world's first lager was invented in Pilsen. It was called Pilsner Urquell. Very quickly its popularity grew and grew. Soon, many other brewers throughout Europe, and indeed the world, produced their own brews in the "Pilsner-style". Today, of course, lager brewing has grown into a mighty business. However, for some people only the original from Pilsen is good enough. Clearly they are well aware of our roots.

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NORTHWEST AIRLINES



Ukraine saves Gorbachev trade treaty

FROM MARY DEJEVSKY IN MOSCOW AND ROBERT SEELY IN KIEV

AFTER three weeks of hesitation, the Ukraine and Moldova yesterday initiated the economic community treaty linking the republics of the old Soviet Union in a single trade area. Their decision, following pressure from Moscow, brings the number of republics that have joined the agreement to ten, leaving Azerbaijan and Georgia outside.

The earlier reluctance of the Ukraine, the second biggest republic, had brought President Gorbachev's plans to the brink of failure. After the Ukrainian and Moldavian prime ministers initiated the treaty at a brief ceremony in the Kremlin, Leonid Kravchuk, the Ukrainian leader, held talks with Boris Yeltsin, the Russian Federation

president, which ended with the signing of a bilateral treaty. That treaty should at least temporarily defuse tension over the border issue and the security of ethnic Russians living in the Ukraine. It also provides for existing supply contracts to be observed.

President Gorbachev has repeatedly said that he cannot envisage a future union without the Ukraine. But there is no guarantee that the Ukraine's chaotic parliament will endorse the final version of the economic community treaty. Apart from Viold Fokin, the prime minister, who may soon be forced from his job, only a handful of high-ranking politicians, all from the defunct Communist party, supported the decision to initial.

Several deputies asked why this particular agreement should suddenly work when so many earlier agreements had failed. Others expressed the view that the treaty conflicted with provisions of Ukrainian laws.

Mr Fokin argued that industry in the republic was already suffering because some other republics were not honouring supply contracts. Moldova was reported to have lost up to 90 per cent of its fuel supplies as the original signatories of the economic treaty, which include the Russian Federation, cut back on sales. The treaty provides for penalties to be applied to republics breaking contractual agreements.

In the Ukraine, diehard opponents of the agreement

Blow for Slovak hopes

FROM GERARD DAVIES IN PRAGUE

SLOVAK nationalists received a setback to their hopes for an independent state yesterday when the Czechoslovak federal assembly passed last-minute legislation which would allow for a referendum on the issue.

The law sets out the procedure for conducting a plebiscite and, together with the law passed in July, enables parliament to decide whether to call on the president to announce such a referendum. Electoral rules demand that a referendum should be held a clear five months before the general elections, scheduled for next June.

Support for secession among the Slovak population has risen steadily in the past six months, helped by the recognition of the Baltic's independence and the continued struggle in Yugoslavia. A referendum, however, would probably show that fewer than one person in five actually wants to leave the federation. Many pro-federation politicians have been concerned that the nationalists were deliberately holding up the proceedings in order to disguise the truth.

Without a true picture of the situation in Slovakia, elections could be nonsensical as voters would not know what they were voting for. The government of a federation or an independent state, President Havel believes that a referendum on the issue would end the discussions once and for all.

The new law creates new constituencies and sets up four commissions, on a federal, republic, district and local level. It states that the question must require a clear yes or no answer and the referendum is expected to be approved in the next few days.



were yesterday believed to be biding their time. The republic votes in less than a month in a referendum on complete independence from the Soviet Union, and supporters of secession are expected to win a convincing majority. While the immediate difficulties between the Ukraine, Russia and the old centre appeared to be easing, the position in several other areas was reported to have worsened. Armenia appealed to Ivan Silayev, the interim prime minister, to have Azerbaijan restore supplies of gas which were cut off on Tuesday, and in the Russian Federation, the coal-mining area of the Kuzbass was said to have given a warning that it would halt coal supplies to regions that did not supply the contracted amount of food in return.

Russian heir pledges to help his country

FROM BRUCE CLARK IN ST PETERSBURG

GRAND Duke Vladimir Kirillovich, the heir to the Russian empire, spoke yesterday of his "indefinable joy" at visiting his former capital and promised to devote himself to his country, whether or not the monarchy was restored.

He began his press conference by proposing a minute's silence for his imperial relatives murdered by the Bolsheviks in 1918. "There are no words to convey the happiness I feel at arriving in the land of my ancestors and seeing my compatriots face to face," said the grand duke, flanked by Mikhail Tolstoy, a scion of the noble family and a pro-Yeltsin parliamentarian.

The grand duke, who spoke old-fashioned Russian and good English, was gracious in his praise of the Russian authorities without disappointing the small but growing band of people with nostalgic feelings. "If I am asked to assist the motherland in any way, and not necessarily on the throne, I will stand ready to help with all my strength," said the grand duke, aged 74, who was born in Finland when that country was still part of his family's empire.

The head of the Romanov family said he lamented the break-up of the Soviet empire but he opposed the use of force to prevent indepen-

dent-minded nations on the periphery from seceding. "The collapse of the empire is a sad phenomenon, and I am sure that it will not bring happiness to the places which are trying to secede for various reasons... If those reasons were taken away, it would be much better for them to stay together in some kind of federal co-existence."

He praised President Gorbachev and Boris Yeltsin, the president of the Russian Federation, in terms that no Romanov could ever have expected to apply to politicians who spent most of their lives as communists. He credited Mr Gorbachev with "brave intervention... at a moment when the country was in a state of dire distress", while Mr Yeltsin was applauded for "saving the situation in a decisive and brave manner at a time of great crisis".

The grand duke said that he longed for the day when "white" and Moscow-based Russian Orthodox Christians believers could be united in a single movement. He later attended a service conducted by Patriarch Alexei, the Moscow patriarch, in St Isaac's cathedral. For some, it was a small step towards recreating the perfect union of church and state.



Daily bread: a Moscow woman clutches two loaves after queuing outside a city bakery. Residents face food rationing for bread, sausage, butter, cooking oil and eggs this winter. Landmark agreement, page 29

City shares refuge with fish

FROM TIM JUDAH IN DUBROVNIK

THE Yugoslav army and navy pounded Croatian positions around the besieged port of Dubrovnik yesterday, shelling blocks of flats just outside the old town and at a fortress on the Srdj promontory overlooking the city. The Croats returned minimal fire and no casualties were reported.

Dubrovnik, which has been besieged since the beginning of October, has been without electricity, running water or fresh food. Its population has also been swollen by more than 12,000 refugees.

Several hundred people took shelter yesterday in the tower of St Ivan. The solid fortress has taken on a ghastly quality since the fighting started as those searching for cover share St Ivan's with conger eels, scorpion fish and giant turtles. Before the war tens of thousands of tourists visited the city aquarium, but now the staff are struggling to keep the fish alive. They have secured just enough fuel to keep water and oxygen flowing around the tanks, but the occupants are hidden by boards designed to protect people in case the tanks shatter in the explosions.

Yugoslavs ignore ceasefire

FROM ANNE MCILVOY IN ZAGREB

FIERCE fighting continued throughout Croatia yesterday, in spite of the warring parties' commitment on Tuesday to establish yet another ceasefire. Heavy shelling of Dubrovnik was reported and there were also air attacks on Bjelovar and in the Slavenska Pozega area.

Osijek also came under mortar and shell bombardment for most of the day. Attempts by European Community monitors to broker a local ceasefire in the Baranja region were undermined by a spate of attacks.

The Yugoslav army has repeated its threat to attack the port of Rijeka unless the Croatian National Guard gives up a barracks and ammunition dump there. Attacks on the besieged town of Vukovar and nearby Vinkovci are also continuing.

In Zagreb, the Croatian capital, the command of the national guard denied that it had given up the fight for the area. "The fall of Vukovar would enable aggressive forces to encircle Vinkovci and Osijek," a communiqué said. "Both sides are aware of the significance of that."

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THE APPLIANCE OF SCIENCE

VICTORIA WALL ASSOCIATES

A family job that rules out a family life

Britain is short of gynaecologists — and only a small percentage of existing ones are women. Alice Thomson searches for the reasons

Once upon a time every ambitious male doctor seemed to want to become an obstetrician-gynaecologist. The pay was good, the job was satisfying and prestigious, combining medicine and surgery, and the results were often joyful. Positions were fought over and few women could elbow their way in. Now Britain has the least number of gynaecological specialists per head of population in Europe, and the numbers are declining further as qualified consultants drop out and new recruits fail to come forward.

What is the matter with obs/gyn? With 700,000 new-born babies to look after every year, the Royal College of Obstetricians and Gynaecologists (RCOG) has organised a conference tomorrow to try to find an answer and to work out how to entice aspiring junior doctors into the profession before the situation becomes critical.

For the first time the college is actively encouraging women to apply, but few seem to want to join this male bastion where only 12 per cent of consultants are women. It is not for the lack of women going into medicine or the profession. Half the intake of medical schools are women and at the junior level half the number of junior doctors starting out on obs/gyn are female.

"Women are capable of being excellent surgeons. They are dextrous, quick and calm, very sympathetic and have every bit as much stamina as the men for long hours," says Mr Stanley Simmons, president of the RCOG. "Reproduction and childbirth is a natural

speciality for women. We just can't be sure what is keeping them out."

According to female consultants the biggest disadvantage is the extraordinarily competitive career structure, which is just about feasible for men but is virtually impossible for women, unless they give up all idea of a family life. Trainees have to move around the country frequently, relying on references and patronage to get their next job for years.

"I really love the career. But the structure is a nightmare"

Established consultants have not helped either. They have resisted reducing hours or allowing part-time training for junior doctors because of a deeply held belief that being a doctor is not a job but a vocation. You must be on call to the patient at all times. This attitude is putting off male and female junior doctors who are no longer prepared to sacrifice their personal lives for their jobs, and who resent tired and cynical consultants making the system repay what it has taken out of them. Over 35 per cent of doctors who initially set out on a career in obs/gyn will drop out before reaching consultancy status — and the percentage is rising.

Mary Anderson, vice-president of RCOG, points to litigation as

another factor and says that even undergraduates are worried by the legal threats. Obstetricians make up only 2.5 per cent of the medical profession, yet their indemnifiers pay out 30 per cent of the total damages against doctors. However she does not think this is the root of the problem. "Young people are just not attracted to the quality of life. We need to look at our whole structure to be able to sell ourselves to the young," she says.

This view is shared by Mrs Susan Blunt, a consultant at Solihull Hospital. "The career is very challenging and stimulating. You can deliver a baby one day and be dealing with a granny's prolapse the next. I really love it. But the structure is a nightmare and a real turn-off. It just affects women so much more than men. The training is twice as long as most other specialities. By the time you are ready to become a senior registrar you are in your thirties and you are lucky if you are a consultant by the time you reach 40."

"If you take a few years out to have a family, you will never become a consultant; but if you wait until you have become one, it may be too late. There you are lecturing to people about having babies and you can't have one yourself."

Mrs Blunt is lucky. She holds one of a handful of part-time consultancy jobs for gynaecologists in the country. "I have three young daughters. If I didn't have this job I don't think I could have coped. I work three days a week but I usually don't finish until nine," she says.



Stanley Simmons, RCOG president, with Mary Anderson, the vice-president: "We just can't be sure what is keeping women out."

In France, however, where there is a shorter training period and a comprehensive part-time system, around half the obstetricians and gynaecologists are women and there is no recruiting difficulty.

Another problem is that women are sometimes in greater demand than men, so their workload can be worse. Mrs Blunt says: "I have just seen a whole load of patients who wanted to see a woman. And that was in addition to the

patients already booked in for me."

Eileen Hutton, president of the National Childbirth Trust, says: "Women should be able to ask for a woman if they want and there is obviously a clear demand for them. Male consultants can be arrogant and they can get careless in the way they address women."

The Department of Health has promised to look into part-time posts and the RCOG is doing

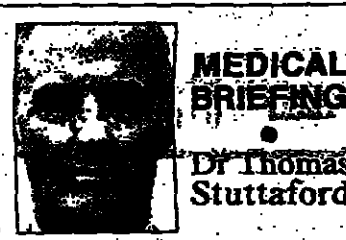
intensive research into ways in which both men and women can be recruited without having to sacrifice their family life.

"Increasing the number of part-time jobs seems to be one of the answers. But they will only work if doctors don't treat them as second-class posts," says Mr Simmons. "A vital improvement would be to increase the number of consultants at the top. That would help share the workload

and decrease the hours. It would also help unblock the bottleneck at the top and let women in so we could have more female role models."

Mr Simmons denies that there is any sexism within the profession. "The crux of the problem is the funding for more senior positions," he says. "How better can a nation invest than in the safe delivery of its children and the welfare of its women?"

Walk and talk to a fit old age



Dr Thomas Stuttaford

THIS week's photographs of a posse of spruce and apparently intellectually alert former presidents of the United States have prompted their contemporaries whose memory for names and even words is not what it was to question what it is about White House life which keeps an intellect alive. Even Ronald Reagan's memory — the subject of jokes when he was inaugurated — does not seem to have deteriorated further, suggesting that, at most, he suffers from benign senescent forgetfulness, and that the rest of his personality is well-preserved.

Although recent research at St Mary's Hospital, London, and in the United States, has tended to emphasise a genetic basis for some cases of Alzheimer's disease, it is accepted that lifestyle can affect its onset and progress.

Research has already shown the importance of exercise and stimulating conversation in the battle to stay intellectually alert. The presidents' medical authorities insist in their charges the importance of daily exercise, while talking has never been a problem to any ex-politician — and a former president has the additional advantage that others enjoy listening to them.



Presidential parade: (from left) George Bush, Ronald Reagan, Jimmy Carter, Gerald Ford and Richard Nixon

An experiment, initially described in the journal of the American Geriatrics Society and later analysed in *Monitor*, the British medical magazine, has taken the knowledge of the benefits of exercise and chat further, by attempting to treat patients with early Alzheimer's with either additional exercise, or conversation, and

comparing the results. Thirty patients with Alzheimer's were treated with a brisk 30-minute walk three times a week for ten weeks, but their social intercourse was not increased.

A second group continued with their usual amount of exercise, but, while the first group was out walking, they were engaged in what the

investigators hoped was stimulating conversation. All the patients were over 60, could walk well and had reasonable verbal facility.

At the end of the ten-week period the condition of those exercised, rather than those subjected to conversation, had shown a far greater degree of improvement.

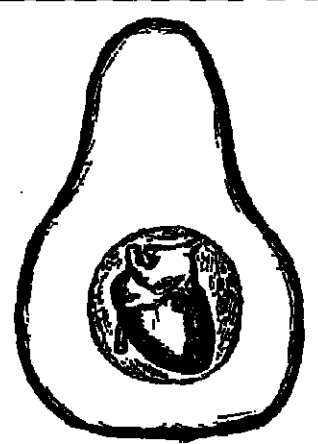
Early signs of diabetes

David Barker of the Medical Research Council unit in Southampton have shown a link between early nutrition and middle-aged diabetes.

Depressed patients tend to lose their appetite, and hence eat badly. The research has shown that poor intrauterine management, and the subsequent low birth weight and under-nutrition in the first year of life may be important risk factors for later development of diabetes.

In a study of 469 middle-aged Hertfordshire men, whose birth weight and weight at one year were checked, the research team found that there was a threefold difference in

the incidence of diabetes between the heaviest group of babies and the lightest. Those patients with diabetes had been, on average, half a pound lighter at birth and a pound lighter at one year. As the insulin-producing beta cells in the pancreas are all developed by the age of 18 months such people are vulnerable to deprivation — and probably a lack of protein in particular — at this stage. It seems that any pancreatic deficiency acquired in infancy may only become manifest if early lean years are later followed by years of plenty, when an inadequate pancreas might be unable to meet demands placed on it.



Avocado cheer

DINERS, anxious to preserve their arteries and aware that avocado and prawns are not only the most commonly ordered first course in steak houses, but are also rich in fats, have tended to order a fish oil-rich gravied lax or smoked salmon starter instead. Now *Doctor*, the medical magazine, has good news for those who enjoy their avocados. Two groups of women were given either a

diet low in saturated fats, or one enriched by avocado pears. After three weeks the serum cholesterol of those who had had a surfeit of avocado pears had fallen by 8.2 per cent, whereas those on a low-fat diet had only shown a decrease of 4.9 per cent. The fall in the more dangerous low-density lipoproteins was particularly marked in the first group. It seems that the monounsaturated fat of an avocado is actually good for people with high cholesterol.

For their part, prawns — while not as rich in beneficial fish oils as salmon — do not warrant their bad reputation. Fish can be grouped into three categories: most beneficial, moderately beneficial or least beneficial. The classification, by the American Dietetic Association, depends on the amount of omega 3 fatty acids they contain.

The oily fish — mackerel, herring, trout, salmon, oysters and halibut — fall into the top group. Shrimps, prawns, mussels and crabs are moderately beneficial, but lobster, scallops and eels, together with plaice and cod, are classified as least beneficial. Sauces should be cream-free.

Has choosing a baby's sex become an odds-on reality?

An American doctor claims to have invented a method of determining a baby's sex that does away with douches, special diets and the timing of intercourse. Until now such devices were a couple's only hope of influencing nature. However, since the new method relies on artificial insemination rather than making love, it also seems to have done away with much of the fun of conceiving a child.

But, despite this apparent drawback, Dr Ron Ericsson's clinics are flourishing in the United States and parts of Europe. And, according to a television documentary to be shown tomorrow (BBC2, 8pm) the first British clinic offering the service could soon be opened.

The documentary, *Choosing the Sex of your Baby — Unnatural Selection?*, examines the technique which Dr Ericsson says is safe, relatively easy, reasonably cheap and effective in 80 per cent of cases. Essentially, it involves taking a sample of semen and then separating the sperm bearing the X-chromosome (for a girl) from the sperm bearing the Y chromosome (for a boy) — "female" sperm are larger and heavier — and then inseminating the woman with the appropriate one.

Although his claims have yet to be conclusively proven by independent research, there would be nothing to stop Dr Ericsson or one of his colleagues offering the technique here, say the General Medical Council and the British Medical Association. In general, treatments must not be actually harmful or take money under false pretences — in which case they would be subject to criminal law — and advertising promoting them

You're a blue test-tube

has to be legal, decent, honest and truthful. Beyond that, though, there would appear to be few restrictions on such a service.

The GMC has jurisdiction only over registered doctors who are bound by standards and sanctions. Doctors have to be registered to work in the NHS and to prescribe drugs, but not to give drug-free treatment in a private clinic.

A GMC spokesperson says: "We always advise patients seeking special treatments of any sort to go for them via their GP in the usual referral system. But if they do not do it this way that is up to them."

"The GMC was formed in the 19th century to set standards and safeguard the public. But there is no law to stop a person giving any sort of treatment to someone else, provided it is with their consent. If you let someone perform an operation on you you're entirely within your rights."

However, if the doctor offering the selection technique was registered, he would have to be guided by the council's code of practice. "He must only give or recommend treatment when it is in the patient's best medical interests, and he must base that on his own judgment and experience," the spokesperson adds. "And, if he has a financial interest in the treatment, he has to declare it."

A spokesperson for the

BMA says: "In theory, you could drive a nail into someone's skull to drive out evil spirits, if they consented to it and, provided you did not kill or injure someone, you would be free to carry on doing so."

"When it comes to selecting a child's sex the reasons are not always frivolous. Sometimes it is to avoid certain diseases or conditions that affect only one sex, but there are a lot of ethical questions involved. And what happens when it does not work and you get 'the wrong sex'?"

Sex selection clinics that use only artificial insemination by the husband would not need a licence from the Human Fertilisation and Embryology Authority, which licenses most infertility centres.

But the authority's view is that choosing a baby's sex — already possible with such infertility techniques as IVF — is permissible only as a way of avoiding genetically transmitted sex-related diseases. "We would not allow centres to do it for eugenic or cosmetic reasons," said a representative of the authority, "and if this were the case the centre would be at risk of losing its licence."

Whether or not Dr Ericsson's method works, many experts believe it is only a matter of time before someone solves the mystery. Until then the "boy diet" of foods rich in sodium and potassium will continue to boost the sales of salty foods, the "girl diet" those of dairy products.

The most single-minded prospective fathers might even consider a cancer change: butchers tend to have more sons, publicans more daughters.

LIZ GILL

TALKING HEALTHY HEART? TALK HÖFELS.

People are saying that garlic, as part of a healthy diet, may help maintain a healthy heart and circulation. Say garlic, talk Höfels. Easy-to-swallow Höfels One-A-Day Garlic Pearls contain concentrated garlic goodness, yet because they dissolve in the stomach, there's no worry about taste or odour.

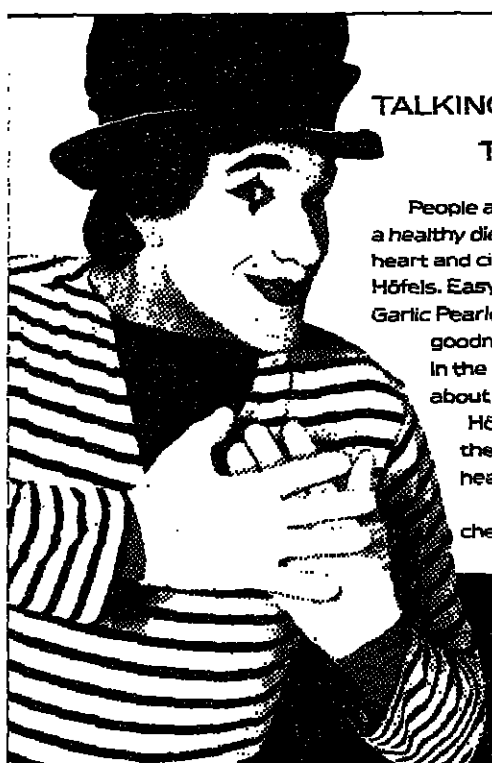
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GARLIC PEARLS

Some things are too good for words



Paracetamol antidote

On October 31 on the Health page it was stated that there was no antidote to paracetamol overdose. Dr Peter Bennett, of the Royal United Hospital, Bath, points out there is now a standard antidote: N-acetylcysteine (Parvolex). The sooner after ingestion it is given the more effective it is, although increasing evidence indicates that it may protect against adverse effects of a paracetamol overdose up to and over 30 hours after ingestion.

The way some of us lived then

This is a lovely book. For all those readers who were captivated by *The Light Years*, the first instalment of The Cazalet Chronicle, the wait is over. Elizabeth Jane Howard has written a sequel every bit as good as volume one, and we can now enjoy the pleasurable suspense of waiting for volume three. It is a long time since I have felt so involved in a series of novels, but then it is a long time since an author of this quality produced a trilogy of quite this kind. It is an unashamedly old-fashioned family saga, a throwback to Hugh Walpole or Angela Thirkell, except that they are now embarrassingly dated, and these subtle and stylish novels will hold their place as a mirror to an era not long past but now vanished.

The Light Years spanned 1937 and 1938, with the three Cazalet sons and their families spending routine, domestic summers in Sussex at the home of their elderly parents. *Marking Time* begins in September 1939 and ends after Pearl Harbor in 1941. By now the family houses in London have been shut up, and the Cazalet wives and children moved to Home Place for the duration of the war. There are still 13 servants to look after the clan, which includes two maiden aunts and the Cazalets' unmarried daughter as well as the three wives and nine children, ranging in age from 16 years to 4 months; and then there is an aunt and four cousins who are attached to the Cazalets but not quite part of them. Each is an integral part of a huge jigsaw, a kind of fragmented Derby Day picture portraying husbands and wives, parents and children, the old and the young and especially the adolescent, in a period of unparalleled transition.

Isabel Raphael on a romantic family saga of the way England was only a short generation ago

Controlling a narrative with such a large and disparate cast of characters is no easy task, but Miss Howard's touch is unfailingly sure. Her skill may be due to the fact that much of the novel reflects the experience of the three girls, Louise, Polly and Clara, who are exactly the age the author herself was at the time. If particular

MARKING TIME
By Elizabeth Jane Howard
Macmillan, £15.95

incidents are fictitious, the thoughts and feelings of growing up at that period ring entirely true, making me curious to know how much is autobiography. (Certainly I recognise autobiography in the mother, who really did give up dancing for Diaghilev for marriage and motherhood, and whose electrifying outburst of ballet I once heard Miss Howard describe unforgettably on the radio.) I wonder if she kept a diary as the girls do, and drew on her own experience in describing, for example, the freezing, starving, chaotic drama school. Not that it matters, because all the characters leap into life so convincingly that the novel becomes a true chronicle, played out in the lives of a believable and recognisable family.

But families like the Cazalets have disappeared. It is a shock to

realise that to the 16-year-olds of today this is as historical as Jane Austen, and as remote. Our media-dominated society has removed much of the ignorance and many of the restrictions that narrowed so many prewar lives, but it has also destroyed a particular kind of innocence shown with great delicacy in Polly, Clara and Louise as they learn first-hand about life, not vicariously from a TV screen. Gone are the hierarchies of age and class, and the old shibboleths whereby no one ever mentioned bodily functions or ailments, and gone too is the combination of privacy and intimacy engendered by the extended family and the acknowledgement, however reluctant, of affection and duty. There are as many strong passions and shabby deeds as one would expect in any human drama, but they are still contained by a code of conduct whose boundaries are already becoming blurred as the young Cazalets mark time on the threshold of a strange new world.

With its powerful concern for birth, love and death and the accompanying rites of passage, this is predominantly a woman's book, deeply romantic without ever straying into the maudlin or sentimental. In the lovingly recorded details of everyday life, the clothes, the food, the brand names, it is a triumph of authentic nostalgia. The pace is expertly judged, to allow personalities to unfold in their own time without any slackening in the narrative, and there is always time for the crucial moment, the penetration of knowledge, the departure or the upsurge of hope. It is a charming, poignant and quite irresistible novel, to be cherished and shared; I am looking forward to the next instalment.



Elizabeth Jane Howard à la recherche of everyday life for the home counties middling classes in wartime

Daydreams of a poetic Dali

POETRY

Robert Nye

FLOW CHART
By John Ashbery
Carcanet, £16.95

SELECTED POEMS
By Frank O'Hara
Edited by Donald Allen
Carcanet, £18.95

THE BURNING PAGES
By John Ash
Carcanet, £6.95

UNCOLLECTED POEMS
By Basil Bunting
Edited by Richard Caddell
Oxford University Press, £7.99

that's better. I actually feel relieved. The wonder is that this has now been published on both sides of the Atlantic, and that Ashbery is considered a major poet. I cannot share that view. I

reckon him the Salvador Dali of modern verse — by which I mean that he is a clever draughtsman who has designs on his audience to convince them that he is something more. Like Dali, he has no one recognizable or characteristic manner. His work is an anthology of styles. Some of *Flow Chart* reminds me, in its consistent avoidance of meaning, that there was once an anecdote current that Ashbery produced his stuff by selecting the seventh line down on the seventh page of every seventh book in his library. If not true, then that still tells a truth. The poor bright fellow is many voices in one man, a joker, a trickster, a clown. Why should we bother with him? Because, I suggest, he has a compelling gift for comedy, as evident in *Flow Chart* as in any of his previous structures resembling verse. It is, ultimately, a rather sad thing, this comedy, and not for the first time Ashbery's games with language remind me of Edward Lear's — there is a similar despair informing his jokes and inven-

tions, and a comparable tension between verbal fluency and a refusal to come clean about whatever it is that pricks him into song. Ashbery, though, doesn't have anything like the Victorian's ear.

For that matter, Ashbery's verse sounds coarse and pedestrian when set beside that of his friend Frank O'Hara, who died in a car crash in 1966. O'Hara's *Selected Poems* keeps alive a lighthearted talent, with a genuine spurt of spontaneity still informing its delight.



Ashbery's dotty Pointillisme

Oh! kangaroos, sequins, choc olate sodas!
You really are beautiful! Pearls, harmonicas, jujubes, aspirins!
all the stuff they've always talked about still makes a poem a surprise!

It would be churlish not to like such a simple heart, especially since this is nearly the whole of a poem called "Today", the rest of which goes on to tell us that O'Hara values these things because they have meaning for him. I don't think he gets much beyond catalogue celebration of the joys of the physical world, but as an urban child crying *Look at that!* he always has the conviction of his own naivety, and a breathless sense of wonder.

Have you forgotten what we were like then when we were still first rate and the day came fat with an apple in its mouth

O'Hara's merit is that his best lines never do forget such innocence, and that he sometimes manages to write whole piggy poems with apples in their mouths. His charm makes Ashbery look cynical.

John Ash makes Ashbery look like a father. The verse in his *Burnt Pages* could all of it have been published in any of Ashbery's volumes without anyone noticing that the emperor was wearing even fewer bits of nothing than usual. This is a pity, because Ash's earlier work had a dash of English common sense about it.

Talking of which (I mean common sense), it has not been so prevalent in recent verse that I can afford to ignore Basil Bunting's *Uncollected Poems*. Bunting died six years ago, and this little volume is no more than a supplement to his *Collected Poems* (1978), but some of the work in it, notably the translations from Horace and Hafiz, is up to his best standard. *Minor poet*, not *conspicuously dishonest*, was how he once described himself. That's about true, and perhaps not such a bad thing to have been, seeing how much poetical crap is now being peddled as "major".

Perfect city of hell

Malcolm Williamson

THE MAN WHO WANTED TO BE GUILTY
By Henrik Stangerup
Marion Boyars, £6.95

IBSEN wrote with pardonable justification: "I must confess that the only thing I love about liberty is the struggle for it: I care nothing for the possession of it." No struggle, no plays. Socrates, perhaps God's supreme fool, suffered execution for the crime of asking us to examine the possibilities of true liberty. Stangerup's founding father, Kierkegaard, might have been happier at the feet of Socrates since *The Man Who Wanted to Be Guilty* is a precisely realised Platonic comedy. We are in a pitilessly observed here-and-now Copenhagen, but it might be any modern democratic city. Forget Swift, Orwell, Ray Bradbury; Stangerup evokes liberty, equality, fraternity and, of course, sorcery, in a situation where liberty reigns so flawlessly that it is no problem to lock away joy, Socrates and God. The city's architects, voted in by moral and deafening silent majorities, hum and drum efficiently, except that they failed to take account of Adam's man. Torben and his wife Edith, cherishing their idiosyncratic selves, job at participating in the compulsory aggression control meetings. But when Edith weakens and conforms, Torben murders her brutally. Her compliance as victim recalls Genet.

FOR the rest, the novel is Torben's fruitless search for expiation of his crime and for his demitted young son. The "Help-ers", the automatised cloned police of the city, frustrating each protest that Torben makes, are as kind to him as they are to the obese rats who, unchecked, scamper in the subways, and to the conforming citizens who savage visitors.

Torben's hope for another child by a girl whose application for a "mum-and-dad" card was refused — excellent clinical terminations — generates one of many sumptuous scenes that pave his ascent to hopeless insanity. Ascent, yes, since the "Unbalanced", of whom he is one, end up in the confined inner-city democracy called "Happiness Park", where they may scream unheard. As Kierkegaard wrote: "Guilt — what might that be? Will no one answer?"

Marvel at Henrik Stangerup. This is one of two novels, opulent in idea and imagery, and classically controlled, in which his mature style seemed set. There was needless alarm when *The Seducer* was announced, since he had clearly leaped ahead of what he had previously handled with total success. A new novel, *Brother Jacob*, is now finished. It is anyone's guess what Stangerup has garnered from the Kierkegaardian fields.

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SUZUKI is the second most common name in Japan. It is hard, therefore, for someone with that name to find that in London he is constantly greeted by revving up Brrrr! Brrrr! noises as if he was some sort of exotic motorbike. Clive James uses his understanding of Japanese life and values to concoct a hilarious account of how English people and customs appear to someone brought up in the orderliness of Japan. For him, London is a barbarous city where the ubiquitous litter and universally bellicose level of verbal aggression are a daily endurance test. Coming from Japan, where the formulae of politeness are so precise that it is possible to convey an insult by simply sliding the end of a verb, he finds that just to listen to people on the Tube is to be subject to linguistic battering that leaves him punch drunk. James describes with gusto Suzuki's encounters with the two women who particularly mould his perception of English manners and performance, but it is in describing English modes of conversation that he is at his most satirical. An ear for the cadences both of foul-mouthed rudeness and of yuppie indirectness enables him to present Suzuki's bafflement with wit and huge enjoyment. James, after all, is partly in exile himself.

A DIFFERENT sort of exile lies at the heart of Alastair MacLeod's short stories collected in *The Last Salt Gift of Blood*. He describes life in a scattered community in Cape Breton, Nova Scotia, where for generations people have earned a hard living from the sea or the bleak landscape. Descended from those driven out of Scotland by the clearances, they still retain their Gaelic traditions, with a sense of the loss which exists in their past and the inescapable sadnesses which await them in the future. Whether they are fishermen or lighthouse keep-

On yer bike, Clive

Anne Barnes

BRRR! BRRR!
By Clive James
Jonathan Cape £12.99
THE LAST SALT GIFT OF BLOOD
By Alastair MacLeod
Jonathan Cape, £14.99
THE DEATH AND LIFE OF MIGUEL DE CERVANTES
By Stephen Marlowe
Bloomsbury, £14.99
THE UNFORGIVING
By Charlotte Cory
Faber, £14.99

ers or miners, their daily work and their spiritual existence is framed by their self-sufficiency, in a world where life is hard and often short, and there may not be time to communicate enough with the people they love. Sometimes their end is violent, as in the story of a man torn to pieces by the offspring of a favourite and long lost dog. Sometimes it is slow, as in the case of the old man who has lived the solitary life within himself since the early death of his wife. Together the stories form a whole vision, relying for their effect on the way they supplement each other. MacLeod writes with the sort of intensity that gives his beautifully shaped sentences the haunting power of the Gaelic songs which are within him.

tes himself, it is an attempt to complicate the known facts of the writer's 16th-century life in such a way as to turn the life itself into an outrageous picaresque saga. He not only fights at Lepanto and spends five years imprisoned by pirates in Algiers, but he is engaged in a complicated system of espionage which gives him adventures in Holland and in Portugal, all over Italy, and even in Elizabethan England. Both Shakespeare and Christopher Marlowe crop up as secret agents, and almost all the hero's friends, relatives and acquaintances find themselves thrown in and out of situations of torture, incest, rape and corruption. It is entirely absurd, a bit exhausting, but never dull. And it makes one very glad not to be living at the turn of that unpredictable century.

MORE familiar, at least, is the Victorian world described in Charlotte Cory's first novel, *The Unforgiving*. There are dark secrets in the house of a fashionable London architect, where a new wife has been installed to organise the domestic routines and to act as a buffer between the great man and his children. The children have yearnings and aspirations, but no one is whom to test them. Their stepmother has fears and guilts which she hopes never to confide in anyone. The household simmers gently for years, aggravated here and there by blackmailing visitors or ambitious servants, until suddenly one day it all implodes. There are building disasters, the adults die or disappear, and the children are left to sell the house and then follow their own paths into middle age. The family claustrophobia is powerfully depicted, and much of the detail of the characters' inner thoughts is well put together, but somehow as a novel it lacks a centre. It might best be read as a cautionary tale about the pitfalls of architecture.

Angels and magicians

Anne Billson

THE ANGEL OF THE WEST WINDOW
By Gustav Meyrink
Dedalus, £18.99
paperback, £8.99

and the central wheeze is a splendid one — the rediscovery of a lost opera by Richard Wagner, who apparently incorporated the music of an ancient runic chant into the score. Lloyd, owner of an upmarket San Diego fish restaurant, is devastated when his fiancée commits suicide by setting fire to herself in a McDonald's car-park (one wonders whether at least some of his distress is caused by her choice of venue). Then a whole busload of people gets spontaneously combusted in the nearby desert. Soon, folk are flying left, right and centre, and Lloyd uncovers the aforesaid opera, a neo-Nazi scheme for (what else?) world domination, and a man called Otto who cats bugs.

Reprisal, by F. Paul Wilson (*New English Library*, £14.99). This is the third part of what I thought was a trilogy started by Wilson's best and most famous book, the Nazism-meets-ancient-demon yarn, *The Keep*, but it ends in mid-air, so I wouldn't be surprised if the author continues to tap this vein. Since his theme is good versus evil, one imagines the possibilities for further tapping are endless. *Reprisal* is a definite improvement on its disappointing predecessor, *Reborn*. Will Ryerson, a gardener at a North Carolina university, is fleeing from dark secrets in his past. The

secrets, when they are revealed in flashback, turn out to be pretty devastating, enough to make anyone start mowing the lawn for a living. Meanwhile, the poor man has to steer clear of telephones — a tricky proposition in this day and age — otherwise he gets a blast from the past. Behind it all, of course, is the incredibly ancient demon, back for second helpings. The demon has also got into New English Library, which has done such a shoddy proof-reading job that at one point I thought the story had taken off into terminal *nouveau roman* territory.

The Will, by Whitley Strieber (*Macdonald*, £12.95). Strieber turns into wolf, much to the consternation of his wife and 12-year-old son. Strieber charts confusion as he shape-shifts during a computer sales conference, his new-found sense of smell, his panicked flight from the dogcatchers and police of New York City, and his discovery of a wolfy new life in the snowy wastes of Canada. Despite all the Kafka references and some spilled purple intestine, this is a lightweight, breezy trot through the rudiments of animal rights. For those who like their anti-hunting, greeny messages broadcast loud and clear.

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CINEMA: NEW RELEASES

Fishing for a grand line in whimsy

Geoff Brown reviews Terry Gilliam's *The Fisher King*; *Shattered* and the reissue of Korda's 1939 classic, *The Four Feathers*

When Terry Gilliam last went in search of the Holy Grail, his cohorts included the Beast of Aaargh, Sir Not Appearing In This Film and John Cleese's French Knight, who slung down such insults as "Your mother was a hamster". But that was 16 years ago. In Gilliam's new extravaganza, *The Fisher King* (15, Odéon Leicester Square), the imp who co-directed *Monty Python and the Holy Grail* only scampers round the edges.

Here is a film of size, significance and seriousness, with a Hollywood budget to match. In place of scattershot Python nonsense comes a grandiose script by Richard LaGravenese, a new writer, pitting two lost souls from the realm of myth against late 20th-century adversity. Jeff Bridges, fashionably dressed in Nineties sleaze (note the recalcitrant lock of hair), plays an acid-tongued disc jockey, crushed by guilt after a radio caller responded to his baiting by killing customers at a fashionable watering hole. This is the Fisher King.

The Fool of the myth — the person who helps restore the King's health and locate the lost Grail — is Robin Williams, a shy, capering vagrant with a penchant for singing "I Like New York in June, How About You?" that may not be shared by the audience. At first New York appears horrid, whatever the month: Bridges stalks a Manhattan impressively styled like a rain-swept mausoleum. By the end, after many a plot twist (and a few missing holes), romance has blossomed for the yearning Fool and redemption achieved. *Fishers King*, over Central Park.

By rights, we should be dabbling our eyes. They are certainly dabbling them in America: after a tough time

with *Brazil* and his *Munchausen* film, Gilliam has found popular success. But too much happens. There is too much malarkey and half-baked whimsy; characters get drowned in the hullabaloo. No scene is safe from interruption. A fire-belching Red Knight — distant relation of the Beast of Aaargh — periodically roars through. A homeless gay cabaret singer (Michael Jeter) goes into his dance and throws AIDS into the stew. Grand Central Station commuters link hearts and waltz — an extravagance at least alive with movie magic.

Throughout this jungle of wayward, overblown scenes a small, funny, tender film can occasionally be glimpsed. Take Jeff Bridges's match-making scheme, when he tries to bring Williams together with the girl of his dreams — a klutz of a secretary, delightfully played by Amanda Plummer. For a spell, *The Fisher King* becomes likeable. Then the trumpets blare, excess storms back; and we are left to ponder the mess of a film stamped with strong imagination, but too big and undisciplined for its boots.

"Why didn't you tell me any of this before?" Tom Berenger asks Greta Scacchi, deep into *Shattered* (15, Cannon's Haymarket and Oxford Street). If she told him before, there would be no story; hasn't the man seen any Hitchcock films? The German director Wolfgang Petersen plainly reveres the master, but it takes more than fiendish plot twists, a baffled hero and dollops of suspense to produce an effective pastiche. We must care for the characters' fate; *Shattered* — based on Richard Neely's novel *The Plastic Nightmare* — only encourages indifference.



Money to hand: Jeff Bridges and Robin Williams in Terry Gilliam's fantasy, *The Fisher King*

Proceedings begin with a furious car crash. Scacchi escapes with a smudge; Berenger needs plastic surgery. He suffers, a doc says, from "psychogenic amnesia"; but with the help of private eye Bob Hoskins, the middle-aged soon learns of his wife's past affair with a lover still on the warpath. To reveal more would sabotage your pleasure, although Petersen — in his first Hollywood venture — does a fair job of this himself. The film is pitched at too sordid a level; implausibilities lie naked at every turn.

Visually, *Shattered* ducks and weaves. One minute, we watch artful images of shattering glass; the next, we are stuck in a chintzy office with back projections of the San Francisco Bay. Among the cast, Scacchi shows her fangs as the crafty wife, and Hoskins keeps cheerful. Berenger tries hard but never quite shakes off the aura of a man modelling pullovers.

A week after *Spartacus* another, older, epic sweeps into town. Alexander Korda's 1939 version of A. E. W. Mason's much-filmed adventure novel *The Four Feathers* (U, Cannon Shaftesbury Avenue) tells of forgotten things: the code of honour among British gentlemen; imperialist derring-do; the fierce-

ness of the "fuzzy-wuzzy", the beauty of a general's daughter glimpsed at moonlight. Korda's film, handsomely directed by his brother Zoltan, brings them all roaring back to life.

John Clements plays Harry Faversham, the reluctant officer who shames family tradition by resigning his commission just when the regiment is being shipped off to join Kitchener in the Sudan (the year is 1898). Three former pals send him white feathers; but he proves his real worth by hurrying off to the desert and rescuing them from death and imprisonment.

The dextrous script by R.C. Sheriff allows a jolly cast to run the gamut of moods. There is satire of old duffers, with C. Aubrey Smith fighting the Crimean war with after-dinner fruit and nuts. There is a touch of war-is-hell, when vultures swoop on a battlefield's corpses, to be disturbed by Ralph Richardson's agonised yells. June Duprez supplies tremulous romance, Mason himself pressed for Laurence Olivier as the coward-turned-hero. Faversham, No matter: Clements, if a little stiff, fills the part well.

FILM NEWS

Hollywood woos a dubious hero

David Robinson on the race to put Christopher Columbus on the screen

Americans usually celebrate Columbus Day with the customary festivities of price-slashing sales and a postal holiday. This year, however, October 14 was different: the 499th anniversary of Columbus's first, fortuitous collision with land on the American side of the Atlantic saw the launch of a quinquennial industry.

In Hollywood the race is on between two rival Columbus films. Ridley Scott's *Christopher Columbus* begins shooting in Spain on December 2, with principal photography due to end on March 28. Scott's Columbus is Gérard Depardieu. Meanwhile, producers Alexander and Ilya Salkind have a distribution deal with Universal which hinges on their film, *Christopher Columbus: The Discovery*, being delivered first. The Salkinds also plan to film in Spain, starting four weeks ahead of Scott.

The Salkinds' schedule cannot have been helped by a change of director. George Pan Cosmatos has just been replaced by John Glen, director of the most recent James Bond films. Coincidentally, the Salkinds' Columbus will be the current James Bond, Timothy Dalton. No other casting is so far announced by either project. Nor are there any advance reports about the scripts of the two films.

Furthermore, other rivals are moving in. A Japanese company, Nippon Animation Co. Ltd, has announced an animated *Christopher Columbus* in 26 half-hour episodes. Britain's Rank Film Distributors have seized the opportunity to promote their own *Christopher Columbus*, a Gainsborough Picture, made in Britain in 1948, starring Fredric March, and a flop in its own time. American television has already transmitted a rather stodgy seven-hour documentary mini-series, *Columbus and the Age of Discovery*, a coproduction with Spain, Italy, Japan, Portugal, Germany and the BBC.

While all this is going on, Columbus himself is undergoing radical historical re-evaluation. Quite apart from the lively debate as to his place of birth, the routes he followed

and the validity of his status as the discoverer of a new continent, new views of him rather invalidate the term "celebration". Commemoration or observance are currently preferred descriptions of the quinquennial with the traditional image of Columbus as the heroic explorer giving way to more critical views.

The debate has sparked an incident rather close to home for Hollywood. The choice of the Grand Marshal for the



Rival Hollywood heroes: Depardieu (top) and Dalton

annual New Year's Day Pasadena Rose Parade is Cristóbal Colón, Duke of Veragua and la Vega, a direct descendant of Columbus. His name has brought protests from Indian groups and their supporters. The duke, a mild and amiable young man, was somewhat taken aback to be characterised by one spokesperson as "a symbol of greed, slavery, rape and genocide". He countered that he would be delighted to have an American Indian ride alongside him, to show goodwill and reconciliation. The affair does, however, highlight the dubious status of Christopher Columbus as a Hollywood hero.

TELEVISION REVIEW

May I question your answer?

HERE is a possible definition of the modern condition: the frustration of being told the answer without the question. It keeps emerging in our culture — in Martin Amis's novel *Time's Arrow* (with its emphasis on effect without cause), or Douglas Adams's famous answer-to-everything ("42") in *The Hitch-Hiker's Guide to the Galaxy*. So prevalent is this condition that it has now even made its way on to light entertainment television.

On weekday mornings, for example, the stay-at-home population is regularly treated to a quiz-show called *Jeopardy!* (TVS/ITV), in which contestants, on hearing the answers, are requested to supply the questions. It works like

this. The quiz master on *Jeopardy!* says, "Leader of the Bolshevik Revolution", and the contestant responds "Who was Lenin?"

This simple inversion is admittedly rather silly. Why not "Who led the Bolshevik Revolution?" "Lenin did?" Yet it holds potential for quite interesting developments.

Quiz Master: Nobody, I shouldn't think.

Contestant: Who on earth enjoys watching this sort of rubbish?

Quiz Master: Having a nice cup of tea.

Contestant: What would we rather be doing?

Quiz Master: Don't ask, mate.

Contestant: How is morale since TVS lost the franchise?

Meanwhile, however, there is S & M (Channel 4), last night's latest spin-off from *Whose Line Is It Anyway?* based on the slightly unequal improvisational talents of Mike McShane (the M of the title) and Tony Slattery (S). This much-trailed extravaganza turned out to be a whole new concept in improvised comedy, in that the audience has no idea whether anything clever is being done.

McShane and Slattery act out cute hit-or-miss scenarios ("Two testicles", "Two peas in a pod") but since you do not see them reacting to a given task (as you do on *Whose Line*), it is like having the answer without the question. The whole point about "impro" is that you see people thinking on their feet. Here, certainly, the trouble is, you don't know how long they have been thinking.

Still, there were some good moments. McShane, wearing a chef's hat, delivered a message to camera for a quick-fire video dating agency sketch. "Do not be fooled by my chef's hat," he said cheerfully. "I do not cook. I am just horribly misshapen, and this is the only... (the rest obscured by laughter). But

generally, the fact that they were making it up as they went along was not a great plus for S & M. It seemed, unfortunately, more like a cast-iron exorcism for second-rate material. "Well, after all, they are making it up, so you have to make allowances."

The idea of taking a half-way option between competitive "impro" and properly written sketches is rather dismal, really; it smacks of self-satisfaction. These are talented blokes (McShane is a genius at improvised song), but they need a visible challenge, not a show-case. Nobody would watch *Mastermind* for long, I suspect, if it became an exhibition rather than a contest. If all you saw was the chap in the chair answering unheard questions (and not receiving a score), the programme would pall pretty quickly. We would all say "Pass" and tune to another channel.

LYNNE TRUSS

ARTS REVIEWS
John Higgins on
Les Huguenots
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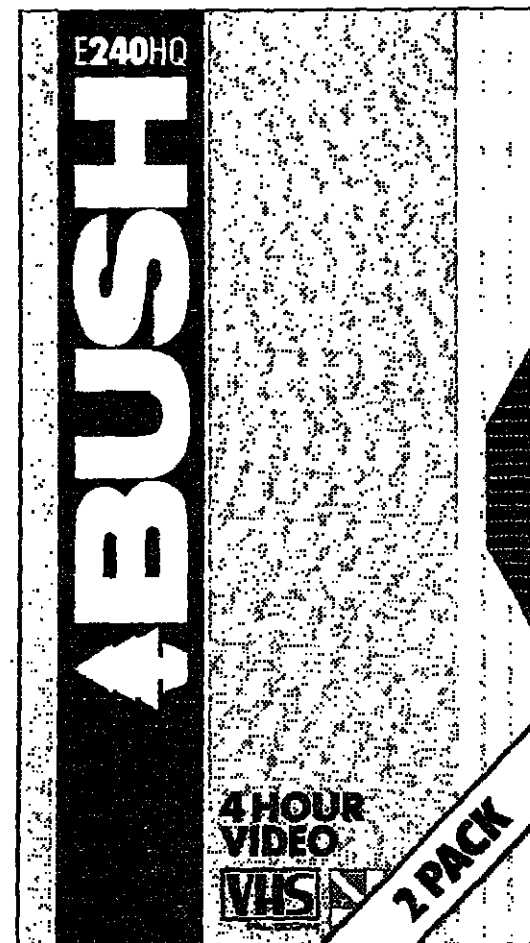
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WOOLWORTHS

X marks the day

Matthew Parris on the election that never was

Stop for a moment and think of today's date. Thursday, November 7. You know what happens on Thursdays, don't you? General elections. And this was the day. This was the particular Thursday. This was the November election that didn't happen.

They were all predicting it. "The seventh, of course," nodded all the wise old heads at the end of summer, as the polls hopped in a series of little hops, like tentative sparrows, forward towards the outstretched palm of kind Mr Major on his Westminster park bench. A nation awakes, then, this morning, as one who awakes from a nightmare to open his eyes and sink back to the pillow with relief that it was, after all, only a dream.

For this would have been a cliffhanger of the worst kind. For three weeks, now, contradictory polls would have had the Tories catching up and overtaking Labour — just, or not quite as the case might be. Television viewers would have groaned at an uninterrupted diet of analysis programmes. On the Record would have offered three extended shows on tactical voting. Angry Tories would be demanding an apology from John Birt after *Panorama* had "balanced" an interview with a benign Lord Callaghan with a screaming monologue from Mrs Thatcher.

World in Action would be furious that an in-depth "strictly apolitical" investigation into the plight of dispossessed mortgage-defaulters had been taken off air at the last minute. Coverage of the England-Australia rugby match would have been interrupted for a debate on the social charter. The following morning, Professor Anthony King would have analysed the effect of a national sporting defeat on the Tory vote.

Yesterday, reports of Robert Maxwell's death would quickly have been overtaken by speculation as to its impact on popular affection for the Labour party. Walworth Road would be riven by disagreement as to whether a posthumously revealed plea from Mr Maxwell to the nation to vote Labour should be publicised or suppressed. Perhaps he would not have died at all. Nobody would have been interested in Mr Seymour Hersh's book: Rupert Allason would have been canvassing in Torbay, George Galloway in Glasgow. And Mr Maxwell would never have left Britain.

Neil Kinnock would be rasping whispered speeches of interminable length. John Major's throat would have tightened to the pitch of a powered model aeroplane on the morning breeze. There would have been recurrent or even simultaneous sightings of Paddy Ashdown in combat gear climbing in and out of lifeboats, helicopters and jeeps from Orkney to St Ives. Nobody would have heard of Langhaugh, Hemsforth, Kincardine or Deeside, for the small horrors which have been unfolding in these places would have been magnified and replicated nationwide. In support of Liberal candidates everywhere, Cyril Smith would have eaten a photo-opportunistic pizza not just in Hemsforth but in every marginal constituency in the country. A truck-suited Jeffery Archer would be touring in a powered red, white and blue hang-glider, megaphone in hand.

All that would be behind us now. Yesterday's *Daily Telegraph*, with a letter signed by 35 retired generals predicting that Britain under Labour would be defenceless, and Tuesday's *Sun* alleging that Joan Collins would never revisit these shores unless the Tories won, would lie discarded on the floor. A BBC exit poll would be quietly preparing to get the result wrong.

It could be happening now. So here's the good news: it isn't. And here's the bad news: it will. Not a nightmare — just a premonition.

Nicholas Ridley asks the chancellor where the money for his spending spree next year will come from

But who pays, Mr Lamont?

Norman Lamont, the chancellor, made a well-measured and well-presented autumn statement yesterday. There was extra money for health, transport, education, training and social security. These will cheer those who have been lobbying for more spending.

But where is the money to come from? If we had rapid economic growth, it might pay for it. If the recession continues, it will mean greatly increased government borrowing. As always the chancellor was in optimistic mood about the economy: he predicted that growth "may" be 2½ per cent next year. His habitual bullishness that recovery has started was repeated. He is taking a risk if he is wrong again.

The statement contained few surprises. Next year, the government plans to spend £54 billion more than the updated planning total of £221 billion. This represents 36 per cent of our gross domestic product (GDP), as opposed to the forecast for the current year of 35 per cent. So as a

proportion of GDP, public spending has resumed its relentless upward march, after a welcome decline in the 1980s.

There are only three ways in which extra public spending can be paid for: by creating inflation through borrowing from the banks; by extra borrowing from the non-bank public; or by increased taxation. The government will have to do one or more of these things. From all that the government has said, I believe we can rule out inflationary financing. We can also almost rule out increases in taxation, since the budget will inevitably be on the eve of a general election. So the strong probability is that the government will seek to borrow these extra billions.

The extra borrowing will come on top of a large borrowing requirement for this year. It was

originally forecast to be £8 billion, is now forecast to be £10½ billion, but will possibly pan out higher still. So the government appears to be on course for a borrowing requirement in 1992-3 of 3-4 per cent of GDP.

Allowing borrowing to rise to such levels entails several risks. Doubtless the chancellor's forecasts presume a good recovery from the recession next year — they always do. Such a recovery would increase revenue, and, if unemployment started to fall, reduce spending. Ever optimistic, the Treasury will expect recovery to come to the rescue in trimming the government's need for funding. But if there is no recovery, then borrowing will be even greater than yesterday's statement predicts.

Secondly, borrowing on this scale represents a large demand

on savings. The nation's savings may be inadequate to cover the government's borrowing, let alone the private sector's need for funds. International savings are certainly inadequate. America and Germany are draining the world's meagre savings, and we will be pitching in behind them. So the only likely result of extra government borrowing is that interest rates will have to rise to attract domestic or international savings or both. A rise in interest rates is the last thing the government wants, but such a high level of borrowing may bring one about.

The question is when? The majority of the extra spending, and the extra borrowing to finance it, will take place after the next election. But the more the election is delayed, the stronger will be the pressure to raise

interest rates. The prospect of an increasing budget deficit casts a shadow before it. Investors may want to see higher interest rates to comfort them against the prospect of this shadow. There is already upward pressure, because more money is being borrowed than saved. Germany has made clear its determination to borrow its way out of the trouble it is in, caused by the costs of reunification. America shows no sign of controlling its borrowing requirement.

Our membership of the European exchange-rate mechanism will make it harder for the government to deal with these pressures. We no longer have the option of allowing the pound to fall against the German mark. The chances are that the pressure to raise interest rates will become irresistible. The timing, however,

will be all-important politically. A third ill effect of the high level of government borrowing is that it is likely to crowd industry out of the capital markets. The shortage of funds, to which the response is a higher interest rate, will mean less investment by business and individuals. This in turn will feed the recession. There is no worse time to increase public borrowing than when the government is trying to promote economic recovery.

Whether more spending brings increased political support is a nice calculation, and one that the Chancellor must have attempted to make. What most voters actually want is more money left in their own pockets. The difficulty with a rise in the level of public spending is that it will be hard to claw back in later years, and will leave people inevitably worse off as a result. Whether this will happen before or after the election, we must wait and see.

The author is Conservative MP for Cirencester and Tewkesbury.

Selling their souls into bondage

Bernard Levin calls for world action to rescue the people of Hong Kong

The betrayal of Hong Kong proceeds apace; indeed, it gathers speed and force. The cowardice and dishonour which make up our Hong Kong "policy" is demonstrated by the Foreign Office's willingness to accept every new demand and threat emanating from Peking (with an occasional cheap of resistance, never sustained), while Hong Kong's safety is ignored. When the prime minister went to China (the Tiananmen Square killings never happened, you see), Sir Percy Cradock and Sir Robin McLaren even tried to persuade him not to make his comments — in the event as few as they were feeble — about human rights in China.

But I have just fallen into one of the semantic traps which the Foreign Office strews across the path. "The betrayal of Hong Kong", I wrote, and "Hong Kong's safety"; even I swallowed the poisoned bait. For "Hong Kong" cannot be betrayed, nor can it be safe or unsafe; it is a thing, and the consequences of the betrayal and the need for safety fall not upon placenames but upon some five million human beings who are shortly to be sold into slavery.

Do you jib at the extravagance of the phrase? Then tell me what you would call a society in which, for ordinary people there is, literally, no recourse to justice, no permitted expression of dissent, no unauthorised book or newspaper that can be published without fear, no word safely spoken unless it sounds sweet in the rulers' ears, no choice of dwelling, of work, of education, no chance of travel (indeed no possibility of a passport), no lawful listening to broadcasts from free countries, no freedom of worship, not even the solace of art unless it is of a kind officially approved, little knowledge of the past and none of the future, in short no respect, no individuality and no hope.

Yet so willing to thrust the people of Hong Kong into such a cooking-pot are our own rulers that when a tiny crack opened there in the wall of falsehood it was immediately sealed. The recent elections for the legislative council in Hong Kong accounted for 18 of the 60 seats; the other 42 seats were filled by government appointees, in case the

independent candidates might win a majority. Of the 18 genuine seats, 16 went to the United Democrats, the party which believes in democracy. The appointment of the winners to the Executive Council — the key body — was therefore inevitable, however embarrassing.

There was no way round the democratic obstacle of the United Democrats' victory. No way round, but a way straight through. Neither the Chinese representatives nor even the Foreign Office needed to say a word; the governor knew what to do without prompting, and a new record for ignominy was set: none of the winners was appointed. (They were offered appointments as a bribe, but only on the condition that they would lie about their beliefs by accepting the gag of "collective responsibility".) So the fruits of victory were stolen from the victors, a

theft that must have given Hong Kong a splendid lesson in democracy, especially for young people.

And now? The sell-by date on the clingfilm-wrapped people of Hong Kong is getting closer; the Foreign Office's strategy has from the start been — what else could it be? — to persuade the public in Britain that the hand-over will be accompanied by guarantees of continuing freedom. The trouble with such a policy is that the Chinese authorities have no intention of permitting any kind of freedom from the moment their army marches in. (There will be a pause as the army loots the entire place. Well, if you were a conspirator in the Chinese Red Army, living on nothing a day, and you saw those glittering arcades of shops selling unimaginable riches, what would you do?)

There was a grim symbolism in the fuss over the new airport; bold British words were spoken, but when the dust settled it was clear that the argument had been settled on Chinese terms. So it will be — so it is — with human beings. Take the question of the court of final appeal in Hong Kong. This is, and has long been, the Privy Council, but of course the Chinese demands include the breaking of that tie. Obviously, they will not accept an independent tribunal; indeed, the very concept must puzzle them, their own "courts" being nothing but instruments of policy. Our government tried to conceal what was happening, but has now admitted that the Chinese have broken yet another clause of the Joint Declaration and of the Basic Law. The agreements included

two judges from outside, but China has announced that there can be only one, and of course — doubly signed agreement or no doubly signed agreement — Britain has acquiesced.

There are more, and more ominous, runes to read. The Chinese rulers have now accused Mr Gorbachev of being a traitor to communism, and made clear that nothing like the opening of the Soviet Union will be permitted in China. Khrushchev is denounced for criticising Stalin, and danger is seen even in Mr Gorbachev's opening the door to freedom of religion. Worse, the coup against Mr Gorbachev is applauded, and its leaders are condemned only for not using "resolute measures", i.e. murder.

What now remains of the British claim that democracy for

Hong Kong is guaranteed after the hand-over? Lu Ping, the Chinese viceroy, has recently been making plain — quite chillingly plain — that all talk of democracy is a waste of breath. He waved away the sweeping victory of the United Democrats and anything that might lead to an amendment to the Basic Law (that is, anything that might give the Hong Kong people a slender hope) was denounced as "absolutely impossible".

Is there any known precedent for what is about to happen? Five million people, who have lived decently, happily and in freedom for many decades, are to be handed over to one of the greatest and bloodiest tyrannies the world has ever seen. They have not fought against their new masters, they have not slighted them, they have not ruled them and been cruel overlords, yet they are to be given into bondage.

But it is more terrible than that. Britain took Hong Kong as a colony, and as a colony it lived and grew and made itself a mighty and beautiful and glorious place, solely by its people's hard work. It lived in freedom, and Britain even gave its people passports, colony or no colony. But then Britain stole the people's passports, and stole their freedom, and decided to hand them, "bound, and living, and with open eyes" to wickedness. And the history books of the future will say that Britain — you and I and our neighbours — did this infamous thing, and they will be right.

I return to my original proposal (denounced at the time by a member of the government who was still pretending that there was no danger to Hong Kong's liberty): a congress of free nations which would have as its only item on its agenda the number of Hong Kong citizens that each participating nation would pledge to take in. It is unlikely that more than three million or so of the population will want to leave; such a number spread through, say, 50 or more countries, could easily be absorbed.

I called the proposal The Ark. Even then, the sky was darkening; now, the rain has begun. The world owes Hong Kong an umbrella.



...and moreover
CRAIG BROWN

With reference to relevant reverends: the Thought for the Day Awards Ceremony has long been one of the most invigorating items on the church calendar. From far and wide, contributors to Radio 4's "Thought for the Day" are drawn together to reward topicality, familiarity and plain talk.

"Good morning everyone," a leading Bishop ("just call me Tim") with no fewer than 30 Thoughts to his name, opened the AGT (Annual Get Together). "Now what, you may ask," Tim continued, "do I mean by 'Good morning'? It's an expression most of us employ every day of our lives, but what exactly do we mean by it?"

A purr of appreciation swept through the crowded hall. "You can tell he's a veteran Thought man," whispered a young prelate to my right. "So chatty, so straightforward, so relevant."

"Y'know," continued Bishop Tim, "Moses himself was a great one for the Good Mornings. An early riser — like my youngest, Jamie, and don't I know it! — Moses was essentially an ordinary bloke who was prone to wish the Lord a cheery 'Good Morning' before his first good hot cuppa..."

"Tim brings the Bible into the living-room," whispered the prelate. "He's a beacon to all of us aspirant Thought for the Days."

"But what did the Big M. if I may call him that, what did the Big M mean by 'Good', and what

did he mean by 'Morning'?" asked Bishop Tim. "Well, by 'Morning' he obviously meant that period of the day immediately preceding the afternoon."

"Tim puts the most complex thoughts into everyday language," whispered the prelate. "And by 'Good' he meant much the same as we mean now. So whether you are TV-am presenter Mike Morris, or *Coronation Street*'s Ken Barlow, whether you are the prime minister grappling with the complexities of the Middle East or just an ordinary bloke like me or Moses, the next time you say, 'Good Morning', why not take a couple of seconds to think about what you are really saying? Thank you and — ha! ha! — Good Morning!"

Amid much applause, Bishop Tim then introduced "a fabulous fellow who made a big splash with his debut appearances on Thought for the Day last year. Who can forget his super 'Kylie Minogue and the meaning of redemption'. And that splendid follow-up just three days later. 'What can we as Christians learn from the pop-up toaster? Ladies and Gentlemen, a really lovely big hand if you would for The Right Rev. Wright!'"

Now the excitement reached fever-pitch: the presentation of the awards was about to begin. The first category was "Most Familiar References to the 70-day Presenters". Out of the speakers boomed recordings of the shortlisted candidates enunciating cheery Thank-you-Johns and Good-morning-Brians, but

the undoubted winner in this category was a nagger from Vauxhall who had managed an unforgettable "Top of the mornin' to you both, John and Brian, and best wishes to your wives and families — super!"

The next category was the "Most Spurious Use of a Current News Item to Inject Topicality into an Otherwise Bland Message" award. Every year, this is by far the hardest category to judge, with all 365 nominees running neck-and-neck. The final shortlist of three included a prelate from Portsmouth who had used Gaza's broken knee to introduce a homily on "Love thy neighbour" and a rabbi from Reigate who kicked off a discussion about prayer with a reference to a new Persil advertisement; but the winner was an archdeacon from Andover who discovered in the story of Zsa-Zsa Gabor nitting a Los Angeles policeman a valuable insight into the Albigensian Heresy.

The final category was the "Excessive Chumminess on Air" award, presented this year by "your friend and mine" Canon Ken of Kennington. The runner-up was a deacon from Ditchley who had praised Adam and Eve for being "a thoroughly modern young couple, always game for the proverbial laugh", but the outright winner was Dean Don Bell from Dorking who had advised Job to "cheer up, it might never happen". Tune in today for the first of the competitors for next year's finals.

Now it can be told

THE MAN who exposed much of the Lichtenstein connection in Robert Maxwell's complicated financial affairs is about to produce a new book containing even more damaging revelations about a secret Moscow link.

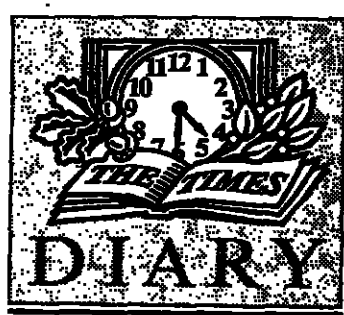
Tom Bower, whose book on Maxwell first appeared three years ago and was the subject of protracted legal action, plans to bring out a revised paperback edition containing the new allegations "before Christmas". Bower has been given a deadline to deliver the new text by the beginning of December.

By coincidence, under a long-standing arrangement the rights of the book are to be auctioned tomorrow. Four publishers have submitted sealed bids for the updated version of *Maxwell the Outsider*, now bearing the subtitle "The book he tried to ban". Events of the past 48 hours have at least doubled the title's value, and it is expected to command a six-figure advance.

Speaking from Moscow, Bower said yesterday: "I will completely rewrite it, with the story beginning at the end to take account of Maxwell's death. There will be a lot of new information about his financial affairs and particularly about his activities in Russia. It will give conclusive proof that he tried to cook the books."

Bower would not discuss details of Maxwell's Russian connection, but has been on a number of research visits to Moscow. "The revelations will have implications for the Maxwell companies," he promises.

Bower was due to go to court against Maxwell in eight weeks' time, but ironically this time it was the biographer, not his sub-



ject, who initiated the legal action — in response to Maxwell's attacks on the book. The first edition sold 20,000 copies in three weeks when it was published in 1988. But after a flurry of writs, it was withdrawn from sale. Maxwell even went to the lengths of buying the publishing company, Sphere, which had acquired the paperback rights.

● No one has more to lose from the death of Robert Maxwell than the libel lawyers. Rarely have they enjoyed such a patron. The BBC, at least two national magazines, several newspapers, one publishing company, two authors, a television producer and a *Panorama* reporter are among those who will be hoping now to be spared much time and expense in the courts with the litigious publisher.

Deeply sworn

KENNETH BAKER is probably not about to be packed off to the Tower, but the historian Earl Russell suspects that the home secretary is in breach of the Queen's coronation oath. Baker's controversial plan for performance-related funding in the magistracies courts is in breach of the royal oath which promises that justice be done without financial inducement, argues Russell. "I shall be asking if Kenneth Baker has or will be taking legal advice on this

matter," he says. "There is a potential conflict for magistrates, in that performance-related pay would be a financial inducement to settle cases quickly, irrespective of justice. The more cases they dealt with, the more they would get paid." The home secretary might be well advised to check his ground. The last occasion that a breach of the coronation oath was alleged was in 1351 — and that ended in an execution.

Doctor, doctor

IF Ashok Kumar wins the Langhaugh by-election today, he will join a select band of 18 MPs who choose to describe themselves as "Dr".

Of those 18, only seven are trained medical practitioners, with Dr Owen the most notable. Labour has two, Lewis Moonie and Sam Galbraith, although the latter declines to use the title. The Tories have four, including Brian Mawhinney, the junior Northern Ireland minister.

Kumar is a doctor of fluid mechanics. Among those who use

co-ordinator, who has a doctorate in chemistry. But a larger number with a right to be styled "Dr", though without medical qualifications, decline. So why Dr Kumar? Labour insists there is no attempt to exploit the health service as a by-election issue by implying that Kumar is a GP. "It's all in his ground. The last occasion that a breach of the coronation oath was alleged was in 1351 — and that ended in an execution."

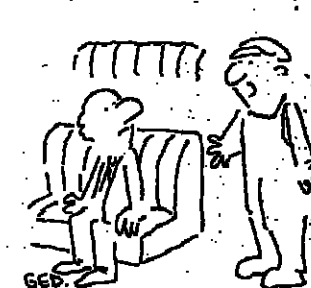
Family farce

THE return of the Oxford University Dramatic Society to the City's Playhouse Theatre after an absence of several years is very much a family affair. OUDS is presently Feydeau's *A Plein in her Ear*, translated by John Mortimer and starring his daughter Emily. "I translated the play in 1966 when it was performed at the Old Vic," says the playwright, "and when OUDS told me they wanted to use my translation, I told them how they should do the play. Then they cast Emily as Raymonde Chande-bise. Pure chance."

Naturally he has given his daughter some fatherly advice on how to play the role. "I told her to play the part at high speed and not think about the motivation of the character." He anticipates a completely different style of performance. Emily "did not quite send the translator away with a flea in his ear but says Mortimer: 'She frequently does not take my advice.' Si jeunesse savait, si vieillesse pouvait."

● The latest figures for unpaid diplomatic parking fines have been released in Washington. Top of the non-payers league is the Soviet embassy, with a total of \$3.2 million in unpaid tickets. Embassies between them now owe nearly \$7 million in fines. Even the Vatican does not pay its tickets. It owes \$90.

Is there a fluid mechanic in the House?



the title as an academic rather than a medical qualification are Gordon Brown, the shadow trade and industry minister, and John Cunningham, Labour's campaigns



CHRISTMAS COMES EARLY

As John Major dabbled with an autumn election, no voice urged delay more strongly than that of Norman Lamont, the Chancellor. Yesterday, the nation learnt why. His autumn statement represented a pre-election giveaway on a scale not seen for many years past. Even the Tories sat in embarrassed silence as he told the Commons that the package could in no way so be described.

The government is to spend £11 billion more next year than was planned. Compared with this year, spending is up £21 billion, an increase in real terms of 3½ per cent. Nor is that all. The new expenditure is not confined to a handful of priority areas, as the Chancellor sought to claim. Existing plans are being exceeded by most departments. The increase is not one-off. It will continue up to the mid 1990s. Spending fell as a proportion of GDP under Mrs Thatcher. It will now rise under Mr Major.

Some expansion was of course all but inevitable. The recession adds to spending, for example on unemployment benefits. Around half the increase reflects the deeper than expected recession. But by contrast with the early 1980s, the government has decided to allow these automatic stabilisers of higher spending and lower taxation to push up public sector borrowing. That is entirely sensible, though the government would in consequence be wise to think twice before it next berates Labour for spending money the country has not yet earned.

The rest, however, is discretionary. Find an issue on which Labour hopes to make headway at a general election, and there you will find that Mr Lamont has erected a barrier of gold in their path. The National Health Service is under fire? Then give it an extra £1.5 billion. Tory commuters in revolt over the railways? More than a billion to improve their lines should help. Education in crisis? Chuck money at the school building programme. Unemployment soaring? More for the employment department.

The Chancellor hopes to borrow some £20 billion next year, despite £8 billion coming into the Exchequer in privatisation receipts. The Tory trumpets that heralded the coming era of state debt repayment must now give

forth an uncertain sound. None of this implies that such spending is not desirable. Nor does it imply that the government should repay still more debt. But the sharpness of the U-turn is undeniable.

In politics, as in economics, there is no such thing as a free ride. Mr Lamont will pay for yesterday when he comes to frame his budget. His statement played down the prospect of tax cuts. Labour is committed not to cut taxes; the Liberal Democrats have contemplated an increase, to pay for improved education. The Tories have clearly decided that in these judgments, their rivals have correctly read the popular mood.

Certainly, all Mr Lamont's objects of largesse are desirable. Had expenditure been raised steadily to these levels over the Tory years, rather than bumping up and down in rhythm with the prevailing currents in the Conservative party, the government might have been spared much political pain, and the consumers of public services would have fared better. But stop-go in spending is as harmful as stop-go in economics. It leads to waste, negates planning, undermines stability and distorts decision-making. If the ideological debate over public spending really is over, is it hopelessly naive to wish its rise divorced from the electoral cycle?

Mr Lamont also risks paying a more immediate price, at the hands of the financial markets. Unlike Bill Roache of *Coronation Street*, the Chancellor will not be suiting those City commentators who dubbed his package boring. It had been sedulously leaked in the hope that the absence of surprise would dull any shock, and first indications were that the trick had worked.

That is cunning management, for this is not the kind of thing the City likes. Had Mr Lamont's package been wrapped by a Labour government, the chances are that the Square Mile today would be buzzing with the risks to sterling and predictions of higher rather than lower interest rates. A Conservative government, whose re-election the City passionately desires, may expect more charitable treatment. It needs it if Mr Lamont's early Christmas is to succeed in delivering a happy new year to Mr Major.

KEEPING BUSH ON BOARD

George Bush: as Atlanticist as president as the Europeans are like to see, is prepared to resist strong domestic pressures for disengagement from Europe. But he comes to the Nato summit in Rome today exasperated and perplexed by Franco-German plans for a "European army" which appear, for all Chancellor Helmut Kohl's denials in Bonn yesterday, to envisage a future without American arms. The Nato summit is unlikely to put an end to this game of designing new uniforms for phantom armies, but it should attempt to confine play to after-office hours. What is needed instead is a serious European debate on ways of sustaining America's commitment to the security of the continent in the wake of the Cold War.

That will certainly include a stronger "European defence identity", possibly through a more active Western European Union. But the Western Europeans have been going about this in a way calculated to discourage Washington. With a short pause during the failed August coup in the Soviet Union, the supporters of a common EC defence policy have taken to behaving as though defence were a football to be kicked around the arena of EC political union. In this debate, they have tended to act as though America's commitment to Nato, if not Nato itself, were expendable.

The Nato summit is to set the seal on a new strategic doctrine, under preparation for 16 months. Many of the "givens" with which the planners started have changed. Some have not. Nato no longer needs to guard against sudden, overwhelming attack through Germany. The new emphasis is on "crisis management". What has changed since the review started is that instability within and around the former Soviet Union will require new kinds of "containment". Nato must be both politically nonthreatening and militarily competent to meet a wider range of contingencies.

The Americans want the Rome summit to agree on a new North Atlantic Co-operation

Council which would extend a political, though not military, umbrella to Eastern Europe. The council would build confidence through regular ministerial meetings and Nato information centres. It is a potential forum for dealing with the emergence of three, rather than one, nuclear-armed states in the former Soviet Union. Above all, it guarantees full US involvement in preserving stability in Europe.

This new political dimension would not detract from Nato's importance as a military alliance. At the levels both of grand strategy and of operational effectiveness the security of Europe is still heavily reliant, as every East European knows, on the existence of an alliance with an integrated command which can rely on American logistics, intelligence, communications and manpower. Nato's new conventional force structures, with their emphasis on mobility and flexible reinforcement and a reduced reliance on nuclear weapons, are more, not less, dependent on joint planning and command.

By 1996, however, the US Army will be the smallest for 45 years, its active divisions reduced from 18 to 12, and America's military presence in Europe much smaller. The French appear to have taken that to mean that Europe must learn to be strategically independent of the United States. The British and Dutch have been right to emphasise, instead, that American defence cuts will require from Western Europeans a level of partnership which they are some way from providing. They need to reorganise and modernise their largely conscript forces, rationalise defence procurement and coax France out of its myopic Gaullism.

The US will be delighted if Europe increases its capacity to deal with local brushfires and to act outside Nato's area. Meantime EC governments should stop giving comfort to the "troops out" lobby in the US Congress by treating Europe's defence as a branch of EC politics.

LORD JOSEPH'S FAMILY CURE

The family is not a constant. Some societies, from ancient Sparta to the kibbutz, have tried to raise children communally; others have lived in extended clans. Modern Western families may have later marriages, few children and many divorces. But plenty of families defy all trends. "The" family does not exist — and a good thing too.

When politicians opine on this subject, as Lord Joseph did yesterday before the annual meeting of the National Children's Home, they easily fall into platitudes. Few know enough about others' lives to be original. "The joys of parents are secret," wrote Bacon, "and so are their griefs and fears."

Lord Joseph avoids the trap. Like many others, liberals as well as conservatives, the former education secretary is worried by family statistics. Divorce now ends one marriage in three. Childline receives 10,000 calls a day, while 44,000 children were on the child abuse register last year. Rising numbers of single parents are often blamed.

As one might expect, Lord Joseph would like to see lone parenting discouraged. He thinks it self-evident that successful two-parent families are better placed to manage a child's upbringing. Less predictably, he concedes that the problem is complex: "Lone parents with dependent children do not form a homogeneous group: they are not lone parents, separated, deserted, widowed and single-parent married."

Lord Joseph proposes a package of reforms combining government and

employer support for families with vigorous civic responsibility. This should appeal to many on the left who do not share his distrust of the welfare state. His proposal that child tax allowances be restored would help most working parents. He wants employers to offer better child care, parental leave and more flexible working hours.

But child care and financial resources are the props of good parenting, rather than its substance. Lord Joseph's central message is that all parents, rich and poor, must learn a range of parenting skills. Children must be coached in the skills of child-rearing. Heartened by the success of classes on child-rearing in institutions for young offenders, Lord Joseph urges the government to ensure that "parenting" is taught at school.

This is good sense. The logical corollary of lessons in family planning and sex education is thoughtful discussion of parenting and its responsibilities. But it is in the home itself that support is most needed and most valuable. Lord Joseph applauds the work of Home-Start, the voluntary organisation which sends volunteers to assist and counsel in homes where they are needed and wanted.

Tories should be attracted by the voluntary basis of such initiatives. Social democrats will appreciate his tribute to the efficacy of counselling. And the extended family called the nation should be grateful that in his retirement Lord Joseph is propelling a vital debate over ideological tramlines.

LETTERS TO THE EDITOR

1 Pennington Street, London E1 9XN Telephone 071-782 5000

Hospital patients who wait at their doctors' bidding

From Dr Geoffrey D. Roberts

Sir, As a fundholding practice, we are endeavouring to achieve improved quality of services on behalf of our patients. One area we discussed with our provider units was the length of time that patients are kept waiting in the out-patient department before seeing the doctor.

No time limits of any sort were acceptable to our local hospitals. Time limits such as the maximum waiting time of 30 minutes in the new patient's charter (report, October 31) must lie within the bounds of what is achievable, or they will be ignored.

Two weeks ago I monitored my own ability to keep to time in my surgery. My perception was that I run like a railway timetable (of the European variety). The reality was somewhat different.

Although more than 90 per cent of my patients were seen within 20 minutes of the appointed time, two patients that week waited more than 40 minutes to see me. Of course there were good reasons for this, there always are. We are setting out to eliminate them.

If hospital doctors are expected to see all patients within 30 minutes of the appointed time, they will not succeed and they may not even try. If the patient's charter were to set a 90 per cent target it would be more achievable and still a vast improvement on the current service.

Yours faithfully,
GEOFFREY D. ROBERTS,
37 Upper Gordon Road,
Cambridge, Surrey.

From Sir Reginald Murley

Sir, Mr David Crosby reports (letter, October 29) that the University Hospital of Wales, having recently reviewed its waiting list for non-urgent surgery, has found that this is "not nearly as bad as it looks". I find such a situation, some 43 years after the inception of the National Health Service, astonishing and rather depressing.

In 1952 I was appointed to the staff of a London hospital in succession to two distinguished surgeons, both of whose long waiting lists I inherited. On systematic review I too found that many patients on those lists no longer needed operation, had already been treated elsewhere, had died, or had repeatedly failed to attend when they were sent for.

Within a few months, much to the chagrin of the lady clerk who took pride in maintaining these impressive lists, I had an orderly "queue" and very soon each new patient was given a firm date for admission. This satisfactory state of affairs persisted in my general surgical units at both my main hospitals until I retired from the NHS in 1980.

I have long concluded that many of the surgical operation waiting lists in the NHS are thoroughly phoney and that there is little that could not be sorted out by the

doctors concerned. Of course, there are really serious delays in some places but most of these should be quickly resolved by determined medical, managerial and consumer effort.

Waiting lists for some outpatient clinics can be quite another matter since free-at-the-time care is bound to produce unlimited demand for some services.

Yours faithfully,
REGINALD MURLEY,
63 Cobden Hill,
Radlett, Hertfordshire.

From Mr R. B. Hamilton

Sir, Patients who are given an appointment and decline the offer have their waiting time recalculated from the date of the latest offer. The same rule applies to so-called DNA ("did not attend") patients.

It is high time the focus was placed firmly on "waiting time" and not the number of people waiting. Many patients appear on waiting lists fleetingly, as their consultant has deemed them to be in need of urgent or early treatment. This is not reflected in normal reporting, which takes place only monthly.

At Warrington District General Hospital in 1990-1 12 per cent of patients offered a date for admission failed to attend on the day. Waiting lists here are under continual (daily) validation to ensure that addresses and the relevant details are kept up to date. Patients are asked to confirm that they will be attending. About half comply.

The next step is to follow up anyone who has not confirmed receipt of the appointment. Some would say this is costly; I would say cost-effective. The day must come when only patients who have indicated that they will keep their appointment will actually appear on the operating list. Patients must take greater responsibility for themselves.

Yours faithfully,
RUSSELL B. HAMILTON
(Assistant General Manager,
Clinical Support),
District General Hospital,
Lovely Lane, Warrington, Cheshire.

From Professor A. R. Fielder

Sir, Good news that at last delays in hospital outpatient departments are being reduced and patients should now be seen within 30 minutes of arrival. But in the West Midlands, and probably elsewhere too, patients with an eye problem may have to wait over two years to reach this efficient service. Ophthalmic services are in disarray.

However tedious and infuriating long waits in outpatient clinics are, at least the problem is soon to be diagnosed and, hopefully, treated. Not so for the patient with a two-year wait ahead who may suffer severe and unnecessary hardship, and could risk losing sight irreversibly.

Reducing waiting times for patients who have reached hospital bypasses more serious issues. Surely

Romanian orphans

From Mr Peter Thurnham, MP for Bolton North East (Conservative)

Sir, Michael and Deborah Reynolds (October 28) call for speedier placements of children in adoptive families. Sadly, it is not just delays in this country which act against children's best interests.

The Romanian authorities need to review the latest regulations affecting foreign adoptions. British couples, after overcoming the hurdle of clearance for adoption here, now face long delays while the new Romanian Adoption Committee registers all the 100,000 children in Romania's overcrowded orphanages.

Some directors of orphanages are reportedly refusing to register their children. Even after registration, there is a six-month delay while the natural parents are sought, and apparently a further six-month delay before foreign adoptions are allowed.

None of this can possibly be in the

interests of desperate children condemned to a life of misery in Romania's orphanages for "irrecoverables". The Romanian authorities should urgently encourage approved British couples to provide a loving home for these children.

Yours sincerely,
PETER THURNHAM,
House of Commons,
October 30.

From Mrs Deborah Fowler

Sir, More children are now abandoned in Romanian orphanages than there were at the time of Ceausescu's overthrow. There are various reasons for this: contraception is now legal but not available, adoption is now legal but is socially unacceptable, the cost of living is so high that fewer families can afford to feed their children.

High among contributory factors, however, are the almost insuperable obstacles placed by the Romanian government in the way of foreign adoptions.

known several would-be DIY conveyancers, including an MP. Their attempts have usually ended in disaster and have seldom been repeated.

Yours faithfully,
BARBARA MYERSON, Chairman,
Council for Licensed Conveyancers,
Suite 3, Cairngorm House,
703 Marsh Wall,
Docklands, E14,
November 2.

From Mr A. J. Seager

Sir, Like Mr Furbank, I have long acted as a conveyancer for myself, with the aid of a DIY book, and I can endorse his advice. Even if

Sexual harassment

From Mr Paul Nicholls

Sir, Dr Malcolm Smith's award of £150,000 (and costs) for the slander of an untrue allegation of sexual harassment (report, October 26) has to be seen in the light of the maximum compensation that could have been awarded to Dr Alanah Houston had she, in fact, suffered sexual harassment: £500,000 perhaps?

The 1975 Sex Discrimination Act now provides for maximum damages of £10,000, including damages for injury to feeling (but not reputation), and damages are more usually in the region of £3,000. Oh, and no costs! Well fair's fair.

Yours faithfully,
PAUL NICHOLLS,
Paisner & Co.,
Bouverie House,
154 Fleet Street, EC4.

Going organic

From Mr David Stickland

Sir, It need not take five years for a farm to go fully organic as indicated in the article about Mr Goodman, "Farmer counts the cost of going organic" (October 21). The transitional period for converting grass, grain and stock is two years under EC regulations.

When we are approached by farmers similar to Mr Goodman we take each enterprise on the farm and convert that to organic, fitting in other parts of other enterprises when possible.

With all the manure being produced by the Goodmans' cattle we would probably start with grain, and within two years have fully organic grain crops growing. There is a market for transitional grain with a small premium, so the Goodmans would have extra income during

No light at end of railway tunnel

From the Director of the Railway Industry Association

Sir, There is another important angle to the adverse effects of recession on the "railway renaissance" (report, October 29). Failure to find a way out of the financing impasse could not only condemn passengers to old, dirty, overcrowded trains: it could also condemn a successful sector of British manufacturing industry just at the point when the European market is about to open up to competition.

British industry has a history of success in the railway markets of the world. Australia, Brazil, China, Hong Kong, India, Korea, Malaysia, Morocco, New Zealand, Singapore, Thailand and many other countries all benefit from British-made railway equipment. It is ironic, to say the least, that the Metro system in Hong Kong, which so impressed the prime minister during his recent visit, was almost down to the last nut and bolt made in Britain, whilst the London Underground system is falling apart for want of sufficient investment.

Two years ago the future for the British industry looked very promising. Most sectors had good order books and the forward plans of British Rail and London Underground held out the prospect of substantial business for the foreseeable future.

The reality has been totally different and the industry now stands on the brink of a major crisis. Virtually no new rolling-stock orders have been placed in the last two years and only one tender, for night coaches for the Channel tunnel, is being adjudicated. We simply do not know when the next orders will be placed. And yet the need for replacing existing rolling stock, signalling and trackwork is apparent to all, quite apart from the strong case for new investment to provide much-needed new capacity.

From a national viewpoint the situation is incomprehensible. Customers want a better rail service but can't get it; British Rail and London Underground want to provide a better service but can't afford it; and British manufacturers who have the capacity to build new trains are having to shed skilled people.

Across Europe, on the other hand, the national railways, backed by supportive governments, are investing in new railways for the next century. We have no coherent investment programme. The emphasis is on how the railways are organised, how social support should be minimised and in what form the railways should be privatised.

Meanwhile optimism in the railway manufacturing industry as measured in my association's quarterly trends survey is lower than at any time since the exercise was started in 1987. This contrasts markedly with other recent surveys from the Association of British Chambers of Commerce, the Institute of Directors and the CBI, all of whom see some light at the end of the tunnel. In the railway industry it is difficult to know where the tunnel even begins.

Yours faithfully,
DAVID GILLAN (Director),
Railway Industry Association,
6 Buckingham Gate, SW1,
October 30.

From Mrs A. B. Lodder

Sir, The most important consideration for a patient is not the length of waiting time but the quality of the care and attention the staff will be able to give. No patient wants to feel that the consultant is under pressure to conclude his listening (vitality important) and his examination as quickly as possible in order to maintain an artificial time scale.

Yours faithfully,
A. B. LODDER,
Lodders, Frostden Corner,
Beccles, Suffolk.

Our son, Michael, came out of Orphanage No 4 on August 19, 1990, aged two years and five months, in clothes suitable for a three-month-old baby — he could neither walk nor talk. Now, 15 months later, he is a happy, healthy, vigorous three-year-old, entirely average in both height and weight for his age, and dearly loved.

Unless the Romanian government reviews its current policy, hundreds, probably thousands of children will die this winter, from malnutrition and chronic neglect. Apart from the wonderful dedication of the workers on the spot, no-one seems to care any more. That dreadful expression "compassion fatigue" seems to be here to stay, so far as Romania and her abandoned children are concerned.

Yours faithfully,
DEBORAH FOWLER,
Manor Cottage,
Hampton Gay,
Oxford.

agents offer their services free of charge, the inconvenience and uncertainty can be unbearable.

The DIY costs are about £18 for office copies of the land certificate. Answers are required to a few simple (often silly) questions before contact and, in order to ensure that the funds are credited direct to his savings account and not earning interest improperly for third parties elsewhere, the vendor should be able to distinguish between a cheque and a bank draft at completion.

Yours etc,
A. J. SEAGER,
22 Whiteford Road,
Plymouth, Devon,
November 4.

that time. And if all the inputs were used that are allowed, not just manure, their yields would be reasonable and their income maintained.

We would not clear out the beef animals, as suggested, because there is an increasing demand for organic beef if it is done correctly and to a high quality.

The £40,000 total investment mentioned could be cut back to the normal investment for their farm each year. As with the better farmers in our co-operative, the Goodmans would find that their income would not fall drastically.

Yours sincerely,
DAVID STICKLAND
(Managing Director),
Organic Farmers & Growers Ltd.,
Abacus House, Station Yard,
Needham Market,
Ipswich, Suffolk,
October 28.

Left behind

From Mrs Caroline Balcon

Sir, So the trains are delayed again (report, November 4). However, the train which never seems to run late is the one on the timetable just before mine.

Yours faithfully,
CAROLINE BALCON,
Worlds End Cottage,
Mincing Lane, Chobham, Surrey.

Friendly enemies?

From the Director of the Polytechnic of North London

Sir, On your October 31 letters page the Vice-Chancellor of the University of Sussex at Brighton tells us of the wonderful co-operation between the university and neighbouring Brighton Polytechnic, among others.

In the Diary on the same day we read that, following the government's decision to allow polytechnics to become universities, his university objects to the polytechnic adopting the title Brighton University.

Yours sincerely,

LESLIE WAGNER, Director,
The Polytechnic of North London,
166-220 Holloway Road, N7.

Bitter pill

From Dr Anthony Abrahams

Sir, I have just received the latest official list of substances which I, as a GP, may not prescribe. These include Heinz weight-watcher baked beans, cranberry juice, Fairy household liquid, Gale's honey, Nescafe instant coffee, SR toothpaste and communion wafers.

Having perused the complete list of some 2,000 items I might well benefit from Quiet Life capsules. Alas, they are not prescribable.

Yours faithfully,
ANTHONY ABRAHAMS,
Springfield House,
76 Temple Road, Cowley, Oxford.

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Sports letters, page 38

Letters to the editor should carry a daytime telephone number. They may be sent to a fax number — (071) 782 5046.



COURT CIRCULAR

BUCKINGHAM PALACE
November 6: His Excellency Mr Chotureyng Batar was received in audience by The Queen and presented the Letters of Recall of his predecessor and his own Letters of Credence as Ambassador Extraordinary and Plenipotentiary from the Mongolian People's Republic. His Excellency was accompanied by the following members of the Embassy: Mr Davadger Luvantsengsin (Attache) and Mr Galsandor Damba (Attache).
Sir David Gillmore (Permanent Under Secretary of State for Foreign and Commonwealth Affairs) was present and the Household in Waiting were in attendance.
Mrs Surenkhorloogi Tseren-jargal was also received by Her Majesty.
His Excellency Mr Fredrick Eaton was received in audience by The Queen upon his appointment as High Commissioner for Canada.
Mrs Eaton was also received by Her Majesty.
His Excellency Mr Anthony Morey (British Ambassador at Ulan Bator) and Mrs Morey were received by The Queen.

BUCKINGHAM PALACE
November 6: The Duchess of York this afternoon left Heathrow Airport, London for Canada.
Mrs Harry Cottrell and Captain Alexander Baillie-Hamilton are in attendance.

BUCKINGHAM PALACE
November 6: The Prince Edward, Chairman of the Duke of Edinburgh's Award Special Projects Committee, today attended a lunch given by Mr Kevin Kennedy, Chairman of Philips at Philip House, 188 Tottenham Court Road, London WC1.
His Royal Highness this evening gave a dinner party at Buckingham Palace in support of the Award.

KENSINGTON PALACE
November 6: The Prince of Wales today visited Leicester and was received by the city's Lord-Lieutenant for Leicestershire (Mr Timothy Brooks).
His Royal Highness, Presi-

dent, Business in the Community, visited Leicester City Football Club, Filbert Street, to look at environmental work undertaken by the Club.
Subsequently The Prince of Wales visited the Post Office, St George's Way.
His Royal Highness later visited Eco House, Western Park, Hinckley Road.
Commander Richard Aylard, RN, was in attendance.

The Prince of Wales held a dinner for those involved in the forestry industry.
KENSINGTON PALACE
November 6: The Princess Margaret, Countess of Snowdon was present this evening at a Reception and Dinner held to launch the book *Hackney's Alphabet* at the Banqueting House, Whitehall, in aid of Aids Crisis Trust.

Mrs Robin Benson was in attendance.
KENSINGTON PALACE
November 6: Princess Alice, Duchess of Gloucester, Colonel-in-Chief, The Royal Hussars (PWO) this afternoon was present at a luncheon given by the Trustees of the Regiment at the Cavalry and Guards Club, 127 Piccadilly, London W1.

Mrs Michael Harvey was in attendance.
The Duke of Gloucester, Colonel-in-Chief, The Royal Pioneer Corps, this afternoon received Brigadier Dennis Higginbotham on relinquishing the appointment as Director and Brigadier Charles Telfer on assuming the appointment.

The Duchess of Gloucester this afternoon opened the Simon Whitbread House, (refurbished student nurses' home), Bedford Hospital, Kempston Road, Bedford. Later Her Royal Highness opened the Luton and South Bedfordshire Hospice, Great Barmingham Lane, Srealey, near Luton.

The Duchess of Gloucester was received by Her Majesty's Lord-Lieutenant for Bedfordshire (Mr S.C. Whitbread).
In the evening The Duchess of Gloucester, Patron, Counsel and Care for the Elderly, attended a Reception at Church City's Great Smith Street, London SW1.

Mrs Euan McCorquodale was in attendance.
Birthdays today
Mr Ian Baiding, racehorse trainer, 53; Mr John Barnes, footballer, 28; Sir John Egan, former chairman, Jaguar, 52; the Rev Professor Christopher Evans, theologian, 82; Dr Billy Graham, evangelist, 73; Mrs Lucinda Green, three-day eventer, 38; Lord Greenhill of Harrow, 78; Admiral Sir Nicholas Hunt, 61; Dame Gwyneth Jones, soprano, 55; Mr Wolf Mankowitz, author, 67; Sir Robert Micklethwait, QC, 89; Sir John Muir, former chairman, James Finlay and Company, 81; Mr Jonathan Palmer, racing driver, 38; Miss Ruth Pitter, poet, 94; Miss Su Pollard, actress, 42; Dr Raleigh Radford, archaeologist, 91; the Right Rev G.M. Sessford, Bishop of Moray, Ross and Caithness, 63; Air Marshal Sir Ronald Stuart-Paul, 57; Dame Joan Sutherland, soprano, 65; Mrs Helen Suzman, South African politician, 74; Viscount Tenby, 64; Sir Anthony Wheeler, former president, Royal Scottish Academy, 72; Baroness White, 82.

Today's royal engagements

The Queen will hold an Investiture at Buckingham Palace at 11.00.
The Duke of Edinburgh, as a trustee, will attend a meeting of the Prince Philip Trust Fund for Windsor and Maidenhead at Windsor Castle, at 6.15.
Queen Elizabeth the Queen Mother will visit the Field of Remembrance at St Margaret's Church, Westminster Abbey, at 11.20.

The Prince of Wales will open the new head office of the National Rivers Authority in Aztec West, Bristol, at 11.10.
The Princess of Wales, as President of Barnardo's, will attend a performance of *The Marriage of Figaro* at the London Coliseum at 6.55.

Prince Edward will open the new performing arts centre at Eitham College, SE9, at 10.30; and will attend a performance of *Roméo and Juliet* by the Northern Ballet Theatre at the Royal Theatre at 7.25.

The Duke of Gloucester will open Spitalfields Market, Temple Mills, E15, at 11.00.
The Duke of Kent, Honorary Air Vice-Marshal, will attend the Air Marshall Club luncheon at the RAF Club at 12.45; and, as Patron of Trinity College of Music, will attend the Presentation Day at St John's Smith Square at 4.00.
The Duchess of Kent, as Patron of the Restoration of the Peace and Function Trust, will attend a reception at 11 Downing Street at 6.30; and, as Patron of the International Social Service of Great Britain, will attend a musical soirée at the French Ambassador's residence at 8.00.

Thanksgiving service

Professor Sir Norman Andrew Forster Rowntree
A Service of Thanksgiving was held on Tuesday, November 5, for Professor Sir Norman Rowntree at the Church of St Mary-Le-Strand. The Rev Edward Thompson officiated.
Professor Sir Norman Rowntree, Institution of Civil Engineers, read the first lesson and Mr Donald Rowntree (son) the second; Sir Alan Muir Wood read from Bunyan's *The Pilgrim's Progress* and an address by Mr F.W. Montanari was read by Dr Susan Walker.

Miss Charlotte Donelan (organist), of Sadler's Wells, and singers drawn from among members of the Royal Opera House also took part. The congregation included:

Lord Rowntree (father), Mr Richard Rowntree (son), Mrs Alan Rowntree (daughter), Mr Donald Rowntree (son), Mr John Rowntree (son), Mr William Rowntree (son), Mr Edmund Allan (son), Mr John Wilson, President, Institution of Civil Engineers, with Mr Stuart Wilson and Mr David Donnington, Vice President, and Past President, Institution of Civil Engineers.
Sir Ralph Stott, Mr Ian Freeman, Mr Donald A.D. Rees, Dr Patricia Palmer, Mr John Bartlett, Mr Anthony Rowntree, Mr Robert Rowntree, Director General and members of staff.

Memorial service

Mrs I.R. Greene
A service of thanksgiving for the life of Mrs Ian Rollo Greene was held yesterday at St James's, Piccadilly. The Rev Donald Reeves and the Ven Peter Mallett officiated. Mr John Ransom, grandson-in-law, read the lesson and Mr Robert Usborne, son-in-law, read from the works of Canon Henry Scott Holland. Lieutenant-General Sir Napier Crookenden gave an address.

Luncheons
Canada-UK Chamber of Commerce
The Canadian High Commissioner was the guest of honour and speaker at a luncheon of the Canada-United Kingdom Chamber of Commerce held yesterday at the Dorchester hotel. Mr Iain Hope, president, was in the chair. Lord Shaughnessy, the Agents-General for Alberta, British Columbia and Ontario and the British Canadian Parliamentary Group were among other guests.

Men of the Year
Mr Norman Tabbitt, CH, MP, presided at the Men of the Year luncheon in aid of the Royal Association for Disability and Rehabilitation (RADAR) held yesterday at the London Hilton on Park Lane. Mr Jeffrey Archer, Rabbi Lionel Blue and Mr Frank Bough also spoke.

The 1991 Men of the Year are: Lord Forte, Lord Jakobovits, General Sir Peter de la Billière, Mr John Simpson, Mr Graham Gooch, Mr Brian Clough, Mr John Parnett, Mr Paul Chapman, Mr Ronnie O'Brien, Mr James Drouin, Mr John Freshwater and Mr Roger Cooper.

Women's Press Club
Mrs Mary Stott presided at a Women's Press Club reunion luncheon held yesterday at the Victoria Club.

Dinners

Carlton Club
Mr S.R. Chetwynd-Archer, President of the Carlton Club Golf Society, presided at the annual dinner held last night at the club. Viscount Whitelaw, CH, chairman of the club, and Sir Denis Thatcher were the principal guests.

Marlborough Club
Mr J.R.L. Wells, President of the Marlborough Club, presided at the annual dinner held last night at the club. Mr D.R. Cope, Master of Marlborough College, and Sir Nigel Mobbs were the guests.

Association of Corporate Treasurers
The Hon George Younger, MP, was the guest speaker at the annual dinner of the Association of Corporate Treasurers held last night at the Royal Lancaster Hotel.

OBITUARIES

FRED MacMURRAY

Fred MacMurray, Hollywood film actor, died on November 5 aged 83. He was born in Kaukaue, Illinois, on August 30, 1908.

"YOU can bet your life I'd scurry for a date with Fred MacMurray," carolled Virginia O'Brien in 1945 at the start of *Ziegfeld Follies*. MacMurray might not have been the first figure who would spring to mind as a heavy-duty heart-throb among the film stars of the period, but he played strong dramatic roles as well as comedy, and there were undoubtedly millions of women around the world who would strongly have endorsed the song's sentiments.

For all that, MacMurray always wore his stardom lightly, and if he ended up among Hollywood's richest inhabitants it had more to do with his business acumen and skill in real estate than directly with his earnings over a remarkably long career as a Hollywood leading man. He never gave himself airs and had no hesitation in graduating to father and even grandfather roles in a succession of Disney family movies, when many of his contemporaries were settling for resentful retirement.

The staple of MacMurray's career from the very beginning was comedy, and even though by general consent some of his most effective performances were dramatic roles in films like *Double Indemnity* and *The Apartment*, comedy remained his principal occupation right to the end. Physically he was at home in either mode: tall, dark and reasonably handsome, he had the open, genial face of the all-American guy he so often played.

He was born into a musical family and went on from playing the saxophone in school bands to taking it up professionally to help pay his way through college. He had his first taste of film-making in 1928 as an extra while touring with the band in California and arrived on Broadway two years later in the revue *Three's a Crowd*, in which Libby Holman sang to him "Something to Remember You By". Later, similar appearances in *The Third*

Little Show and *Roberta* led to a Paramount contract.

In his first year with Paramount he appeared in no fewer than seven films, always playing leads. Claudette Colbert, with whom he subsequently co-starred several times, played his screen test when she saw his screen test and requested him as her leading man in *The Gilded Lady*, a comedy and a major success. Before the year was out he had been requested also by Katharine Hepburn for *Love Adams* and by Carole Lombard for *Hands Across the Table*. His looks, too, were rugged enough to allow him to hold his own in dramas of the great outdoors like *The Trail of the Lonesome Pine* and *King Vidor's The Texas Rangers*.

Throughout the Thirties he appeared regularly opposite Paramount's top female stars, usually in comedies: with Claudette Colbert in *The Bride Comes Home* and *Maid of Salem* (an unlikely historical excursion); with Carole Lombard in *The Princess*

Comes Across and *Swing High Swing Low*; with Irene Dunne in *Invitation to Happiness*; and with Madeleine Carroll in *Cafe Society* and *Honeymoon in Bali*.

In the Forties he loaned out a lot from Paramount. Though most of his best films were made for his home studio, his visits elsewhere brought him some more striking leading ladies, such as Marlene Dietrich in *The Lady is Willing* and Joan Crawford in *Above Suspicion*. At Paramount he was coupled for the first time with Barbara Stanwyck in *Remember the Night*, a soulful drama for a change, and with the newer generation of contract ladies, including Betty Hutton and Dorothy Lamour in *And the Angels Sing* and Paulette Goddard in several forgettable films. His career seemed to be going nowhere in particular until Billy Wilder hit upon him as the right man to play the infatuated insurance investigator trapped into a crime passionnel in his grim thriller *Double Indemnity* (1944) —

CUTHBERT HARRISON



Cuthbert Temple Lane Harrison, MBE, TD, organ builder, died on October 27 aged 86. He was born on August 1, 1905.

CUTHBERT Harrison, chairman of Harrison & Harrison, organ builders, was the last of a long family line of distinguished craftsmen. He was greatly influenced by his father and his uncle Arthur who was renowned for his remarkable skill at tonal voicing. Even in the early 1900s the firm was responsible for no fewer than 13 cathedral organs, with Ely, Wells and Durham being outstanding examples, the latter not surprisingly their flagship. The tally of cathedrals was to grow significantly over the years, with Cuthbert Harrison developing the individual richness of sound which was a hallmark of his firm's work, as was the immaculate workmanship and reliability of its instruments. This, together with its distinctive

consoles, earned the firm the reputation of being the Rolls-Royce of organ builders. Well before the foundation stone of the new Coventry Cathedral had been laid Harrison was consulted, with the resulting organ a turning point in the artistic development of the firm.
It was not only in cathedrals and churches that the in-

fluence of Harrison was felt. The organ in London's Royal Festival Hall, designed in conjunction with Ralph Downes, was even more significant for it was an act of considerable courage to embark on so novel a tonal scheme, suspect to ears accustomed to "romantic" sounds. While it paved the way for the resurgence in this country of the "classical" organ, the concept met with some initial controversy, the more so because of Harrison's more familiar track record. As his firm's reputation spread, so Harrison found himself travelling widely and gaining orders in the highly competitive North American market. This was the more remarkable at a time when organ exports were virtually unheard of.

"CTL", as Cuthbert Harrison was known to his friends, will be remembered for his slightly shy though unfailingly warm personality, but he could just as readily reveal a razor sharp assessment when required. While he was a man of relatively few words, which he equally expected of others in return, he was held in great respect and affection by his staff and would readily don overalls to clamber inside an organ to assist his colleagues.

Educated at Durham School and Exeter College, Oxford, he initially opted for a career in the Royal Tank Corps and was posted to India, though when Arthur Harrison, his uncle, died in 1937 he was with reluctance called back to become a partner in the firm. During the second world war he served as a major in the Royal Artillery.

He was a founder member of the organs advisory committee of the Council for the Care of Churches and was appointed MBE in 1980, a rare distinction among organ builders. He was for 40 years secretary of the Friends of Durham Cathedral.

He is survived by his son, Nicolas, his wife having died in 1979.

Forthcoming marriages

Mr D.V. Bridgland and Miss P. Davies
The engagement is announced between David Gilmour, son of Lieutenant Colonel and Mrs M.F. Bridgland, of Salford, Sussex, and Perella, youngest daughter of Mr and Mrs A.M. Davies, of Ewhurst, Surrey.

Mr E. Cattaneo and Miss C. Ponzone
The engagement is announced between Emilio, youngest son of Dr and Mrs Carlo Cattaneo, and Cristiana, granddaughter of Donna Angela Lanza, and youngest daughter of Count and Countess Maurizio Ponzone.

Mr M.L. Darvell and Miss T.J. Gordon
The engagement has been announced between Malcolm, youngest son of Mr and Mrs Roland Darvell, of Leigh-on-Sea, Essex, and Tammy, younger daughter of Mr and Mrs Ross Gordon, of Montreal, Quebec.

Mr K. Monkman and Miss L. Marshall
The engagement is announced between Kit, youngest son of Mr and Mrs Kenneth Monkman, of Shandy Hall, Coxwold, York-shire, and Lucy, daughter of Mr and Mrs Christopher Marshall, of The Old Bakery, Alding-bourne, Sussex.

Mr A. Palmer and Miss M.R.C. Ralsman
The engagement is announced between Anthony, younger son of Lieutenant Colonel John Palmer and the late Mrs Kay Palmer, of Frensham, Surrey, and Melinda (Min), elder daughter of Mr and Mrs Jeremy Ralsman, of Peaslake, Surrey.

Marriage

Mr H.G.B. Derrick and Miss A.M.J. Hanson
The marriage took place on Saturday, November 2, 1991, at Southwell Minster, Nottinghamshire, of Mr Hugh Derrick, son of the late Mr Peter Derrick and of Mrs Peter Maxwell, of Ilfracombe, Devon, to Miss Arabella Hanson, daughter of Mr and Mrs Richard Hanson, of Budby Castle, Newark, Nottinghamshire. The Provost of Southwell, the Very Rev David Leaning, officiated.

The bride, who was given in marriage by her father, was attended by Miss Georgina Hunter, Victoria and Richard Hunter, Jennie Whitehead, Maria and Octavia Welby and Christopher Hanson. Mr Patrick Dear was best man.
The reception was held at the home of the bride.

LOUIS LE GRANGE

Louis Le Grange, Speaker of the House of Assembly in the South African parliament and former minister of law and order, died of a heart attack on October 25 aged 63. He was born on August 16, 1928.

DURING the last five years of his 25-year parliamentary career, Louis Le Grange won a measure of respect as Speaker of the white House of Assembly that was seldom accorded him during his eight years as a cabinet minister. Even political foes — of whom he had plenty — conceded that as Speaker he demonstrated a natural flair for parliamentary procedures and never hesitated to rebuke anyone from any party whose speech or behaviour threatened the standards of parliamentary conduct.

But he will be judged by posterity for his autocratic performance as, successively, minister of police and prisons, minister of law and order (a post which included his police portfolio) between 1979 and 1986. During this period he was the architect of a series of brutal security laws including the infamous Internal Security Act of 1982 which was used to detain without charge thousands of blacks who were opposed to apartheid.

As minister in charge of South Africa's police and an uncompromising conservative, Le Grange made himself a man more feared than respected. Charges of brutality were at various times laid at the door of the force for which he was responsible but he brushed them aside.

For most of his career he was a hardline defender and advocate of apartheid and as black protest gathered momentum during the 1980s he, as minister of law and order, found himself in the forefront of the campaign to preserve it, tenaciously administering the multifarious laws segregating the races. Liberals held him responsible for a massacre by police at the African township of Langa near Uitenhage in the Eastern Cape in March 1985 in which 20 blacks were shot dead and 27 wounded. There were demands for his sacking when a judicial commission of enquiry into the massacre established that the police had been issued with semi-automatic assault rifles and extra-heavy shotgun cartridges rather than birdshot and rubber bullets; and that they had received an order, with Le Grange's approval, to "eliminate" trouble-makers. His claim in parliament, that the police had been surrounded and attacked by a mob, was subsequently shown by police testimony at the

enquiry to have been inaccurate and he was accused of allowing the police to get completely out of control. Liberal politicians in South Africa stigmatised him as being, at the very best, stolid, unfeeling and unimaginative.

Le Grange was born at Ladybrand, in the Orange Free State, into a politically active family and joined the conservative National Party in his teens. His political ideals were shaped by his parents who came under the influence of D.F. Malan, the first Nationalist prime minister. He became a party office bearer at Potchefstroom in Western Transvaal, where he graduated in law at the local university and in 1966 became member of parliament for the constituency which he represented until his death.

He rose quickly through the parliamentary ranks and served as a member and chairman of various committees and commissions of inquiry and as a deputy minister until 1978 when he was appointed to the cabinet by the new prime minister, P.W. Botha, as minister of public works and tourism. The following year he was appointed minister of police and prisons. A year later he became minister of police when the portfolio was amended and in 1982 minister of law and order.

He won police gratitude for bringing about big improvements in service conditions and salaries. In 1982 he rejected as exaggerated detailed allegations of torture by security police of political



prisoners. However, later in the year he announced a new code of conduct for the police in the handling and treatment of political detainees.

In recent years Le Grange was dogged by ill-health. He recovered from cancer last year but underwent heart bypass surgery earlier this year. He collapsed on a platform in the Potchefstroom town hall and died of a heart attack.

He is survived by his wife, Jessie, and four children.

JOSEPH PAPP

David Hare writes:

YOUR obituarist gives a misleading impression by suggesting that Joe Papp (obituary, November 2) ever made any unwelcome interference with my work during the 20 years in which he produced five of my plays at the Shakespeare Festival. After a period in the Seventies when he resisted doing any English plays he turned to playwrights like Caryl Churchill and me because our plays at least had the social and political dimension which meant so much to him.

Throughout our association he was loyal, steadfast and inspired. At one of those famous New York first night parties, Joe read out every

single line of an appalling review in *The New York Times*, whose immediate impact would be to lose Joe one million dollars. As he finished reading, he turned to a hushed room and said: "That is not what I call a good review." Then turning to me, he asked: "What do you want to do here next?" How could I not love Joe Papp?

IN OUR obituary of Peter Willes (October 30) we stated of Harold Pinter's play *The Birthday Party* that only James Agate had anything good to say about it. Agate died in 1947 and this should, of course, have read "only Harold Hobson had anything good to say about it."

Church news

Next Bishop of Thetford
The Rev Canon Hugo F. de Wail, Principal of Ridley Hall Theological College, Cambridge, and an Honorary Canon of Ely Cathedral, is to be Suffragan Bishop of Thetford diocese Norwich, succeeding the Rt Rev Timothy Dudley-Smith who is retiring on December 31.

The Rev David S. Allen, Vicar, St Andrew's, Thetford, is to be Suffragan Bishop of Thetford diocese Norwich, succeeding the Rt Rev Timothy Dudley-Smith who is retiring on December 31.

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Baptism

The infant daughter of Mr and Mrs David Prichard was baptised Eva Lily Agnes at St Andrew's Church, Nether Wallop, on Saturday, November 2, by the Rev Richard Maxwell.

The Godparents are Mrs Jane Holland, Miss Ailana Goulandris, Mr Nigel Morgan and Mr Neil Mendoza.

Museum post

Dr Peter Chowne is to head the new unified archaeological service of the Museum of London. The unit has been formed by amalgamating the departments of Urban Archaeology and Greater London Archaeology. The merger stems from cut-backs caused by the decline in building work during the recession.

Anniversaries

BIRTHS: Marie Curie, chemist, Nobel laureate 1903 and 1911, Warsaw, 1867; Lisa Meitner, physicist, co-discoverer of nuclear fission, Vienna, 1878; Leon Trotsky, Russian revolutionary leader, Yanovka, 1879; Sir Chandrasekhara Raman, physicist, Nobel laureate 1930, Trichinopoly, India, 1888; Albert Camus, novelist, Nobel laureate 1957, Mondovi, Algeria, 1913.

DEATHS: Sir Charles Kingsford Smith, aviator, lost in flight after passing over Catalina, 1935; John Carmel Heenan, cardinal, Archbishop of Westminster 1963-75, London, 1975; Gene Tunney, world heavyweight boxing champion 1926-28, 1978; Steve McQueen, actor, Mexico, 1980.

No sects please, we're modern.

DONALD COOPER



Marguerite (Judith Howarth) blindfolded Raoul (Richard Leech)

rarity, a *spinto* tenor who can handle the French language. For his ability to handle this most punishing role *Huguenots* is worth a visit. Meyerbeer was the master of the aria introduced and even accompanied by a single instrument. The soloists were not always up to his

JOHN HIGGINS

and the tone darts in and out of focus without jolting the fabric apart. The hands of François Cukla's Madame Arbatel flutter like insect butterflies. Rowland Davies, her husband, puffs and giggles like a bearded whale. Alexis Desnos, her son, nearly captures the Thieries' arrogance of a callow young chap. In the final scene the sentiment of the opening returns, loaded now with serious thoughts. George Murrell appears as a commissioner, eager for the four billion to keep the Ukraine from starving. The sparkle fades, though Makarova's curtain line is a treat. Still, a good half of the play is delightful, romantic and unexpectedly effective comedy.

JEREMY KINGSTON

learned at the imperial court. The next two scenes, straddling the main interval, abound with joys, fuelled by the comic possibilities of culture shock and topsy-turvydom. The aristocrats become servants to the bourgeoisie and improve their marital relationship with tricks practised by the Romanovs; the Arbatel son and daughter fall in love with them, and the parents grieve and preen. The writing, too, is vastly better; scenes are fluently constructed to give space to the permutations. The jokes are funny, and Patrick Garland's direction (first seen at Chichester) gets comic mileage from the contrast between the sober irony of Powell and Makarova and their socially uncertain employers. The comedy may rest on snobbery but it is done with charm.

cello sonatas by Prokofiev and Myaskovsky with the fine pianist Ian Brown. Prokofiev's sonata is a marvellously rounded work that suddenly, in its finale, explodes out of its generally urbane mixture of Russian witfulness and scurrying energy into a demonic, quasi-orchestral flourish of virtuosic scale and arpeggios. Rostropovich played it with a magisterial sense of phrase and proportion; his variations of timbre, in particular, were an education in taste and technique. And, of course, his is the definitive interpretation, since the work was written 42 years ago for him. So was

apemen gibber and crouch beneath a long-range rocket launcher. What follows, when the launcher rears up into a steeply high trapeze frame, evokes a less positive side of modern Brazil: chaos and dysfunction. On the first night, only one in three of the nervous trapeze artists managed to hold on to the catcher. Thank goodness Archao deigns to use safety nets. Fortunately, from this point Archao forgets about competing with traditional circus and proceeds with its own infinitely zany business. There is a very concrete Brazilian element in the show, provided by the

15 acrobatic dancers of Bahia's Aze Bahia, from the city of Salvador. Some of the time they enact scenes of colonialist oppression (a slave market, a slave uprising); more memorably they dance, and especially perform *capoeira*, the virtuosic wheeling leg dance which originates from the foot-fighting technique developed by manacled slaves. It is worth the price of admission just to see these astonishingly synchronised, whirling legs. Still, Brazilian dancing, even of exciting quality, is hardly Archao's *raison d'être*. Those who yearn for chainsaws, motorbikes, naked flesh and heavy rock music will not go away

HARRY EYRES

Arts features, page 19

OPERA

Les Huguenots

Covent Garden

AFTER settling sectarian strife of its own, the Royal Opera has reopened its season with Meyerbeer's great work of religious warring and intolerance, *Les Huguenots*. The production comes from the Deutsche Oper, Berlin. Borrowing from other houses should carry with it some kind of quality guarantee: somebody in authority has presumably seen and endorsed the staging. Why *Les Huguenots* slipped through the net is a mystery: it should never have been allowed to stray beyond its own back yard. Meyerbeer's opera marches towards a specific date, the murder of the Huguenots by the Catholics on St Bartholomew's Day, 1572. Producer John Dew prefers a contemporary setting. His designer, Gottfried Pilz, provides massive brick barriers, which might have been relevant when the production was first seen in 1987 and the Berlin Wall was still high. An attempt has now been made to be unspecific and the programme has pictures of Croatia, Beirut and Belfast. The problem is that those on stage go on singing about Paris, Touraine and Amboise.

Far more heinous is the decision to turn several leading roles into comic caricatures. The chief sufferer is Marguerite de Valois, the King's sister. Meyerbeer saw her as an admittedly naive peace-maker who tries to marry off an upright Huguenot boy, Raoul, to a nice Catholic girl, Valentine. The role was quite serious

THEATRE

Tovarich

Piccadilly

JACQUES Deval's runaway Thirties success contains two quite different styles of play, awkwardly joined at the intervals. The less interesting of the two tells of a couple of impoverished Tsarist exiles, a prince and his wife, an imperial grand duchess, holed up in their shabby Paris room and reduced to their last centimes. Their predicament starts the play, and much of the dialogue consists of variations on "Fancy a nice of the Tsar reduced to this." If the subsequent scenes were not an improvement, the show would

CONCERT

Rostropovich and friends

Barbican

A MONDAY night, a programme of little known Soviet chamber music – and the Barbican Hall was packed. The trick of course, is in the marketing: put a title like "Rostropovich and friends" on a concert and you could sell a ream of nut-cracking. In fact, the great cellist appeared once in each of his Prokofiev Century Festival concert, to play

CIRCUS

Archao – Metal Clown

Wembley

THE new show from France's cult, punk circus claims to celebrate the joyful, anarchic and violent spirit of Brazil. The setting is a tunnel-like big top, pitched in a carpark between the surreal domes of Wembley Stadium and an industrial estate. The show's tutelary deity is a bearded stillwalker, who wades on dressed only in tattered polythene rags, while a group of

NEW RELEASES

◆ **BLONDE FIST** (15): Family Liverpool (MGM) finds salvation in boxing. Crude developed comedy from director Frank Clark, writer of *Letter to Three Wives* and *Office*. Cannon Cinema (071-438 0310) MGM Trocadero (071-434 0031)

◆ **DEKALOG PARTS 7 AND 8** (PG): Skeletons rattle in the cloisters of an anguished mother and an ethics professor. Inspiring tales from Krzysztof Kieslowski's "Ten Commandments" cycle. Rankin (071-437 8402)

◆ **MONSTER IN A BOX** (MGM): Monstrous Spelling Guy in full flight, selling crazy stories of Russia, L.A., and the personal demons. Director, Nick Broomfield. ICA Cinema (071-435 3547)

◆ **RAMBLING ROSE** (15): Inevitable sequel turns of heads in 1935 Georgia. Episodic, benign, hugely entertaining; memorable performances from Laura Dern, Robert Duvall, Director, Martin Scorsese. Odéon Haymarket (0428 915333)

◆ **TWENTY-ONE** (15): Life and loves of a cynical modern man. Patsy Kensit really conceals a London type, but melodrama leads the drama astray. Director, Don Boyd. Odéon West End (0428 915574)

CURRENT

◆ **BOYZ IN THE HOOD** (15): Black urban drama from best actor director John Singleton, played high with realism, but atmospheric. With Laurence Fishburne, rap artist Ice Cube, Cuba Gooding Jr. Cannon: Haymarket (071-435 1827)

CINEMA GUIDE

Geoff Brown's assessment of films in London and where indicated with the symbol (C) on release across the country.

◆ **FULHAM ROAD** (15): MGM Trocadero (071-434 0031) Screen on the Green (071-438 0310) Whiteleys (071-762 3636)

◆ **CITY SLICKERS** (12): Over-stylised sentimental comedy, with Billy Crystal and crumb solving middle-class crises during a cattle trek. Starring Daniel Stern, Bruno Kirby, Helen Slater. Director, Ron Underwood. Barbican (071-436 8881) Cannon Parkway (071-287 7034) Cinescape (071-322 5056) Oxford Street (071-436 0310) Odéon: Kensington (0428 914666) Leicester Square (0428 915583) Screen on Baker Street (071-328 2712) Whiteleys (071-762 3636)

◆ **THE COMMITMENTS** (15): Heavy-duty Dublin youngsters form a soul band. Fresh, funny, and buoyantly played by a largely amateur cast. Director, Alan Parker. Cannon Parkway (071-287 7034) Cinescape (071-322 5056) MGM Trocadero (071-434 0031) Odéon: Kensington (0428 914666) Muzeyna (0428 915583) Screen on Baker Street (071-328 2712) Whiteleys (071-762 3636)

◆ **EDWARD II** (15): Revisiting reworking of Markedov's play by Derek Jacobi, words and images leap out at the audience. Steven Waddington and Andrew Thomas as star-crossed royal lovers. Ticks Swinton as the exasperated Queen. Carfax West End (071-438 4005) Gate (071-727 4052)

◆ **FLIRTING** (12): Steps to maturity as teenage couple battle to make love in 1985. Delightful sequel to *The Year My Voice Broke* from director John Duigan. With Neve Taylor, Tracie Newton, Cameron Chevalier (071-322 5056) Piccadilly (071-437 3551) Tottenham Court Road (071-336 6148)

◆ **HOMICIDE** (15): David Mamet's study of a Jewish cop in New York's sleazy precincts as drama, but a vivid picture of urban hell. Starring Joe Mantegna. Cannon Parkway (071-287 7034) MGM Trocadero (071-434 0031) Screen on the Hill (071-435 3547)

◆ **MORTAL THOUGHTS** (15): Brutal body-gore film about a young man and his best friend have blood on their hands, and the police on their trail. Starring Moore, Glenn Headly, Bruce Willis. Director, Alan Rudolph. Odéon: Kensington (0428 914666) West End (0428 915583)

◆ **SPARTACUS** (PG): Kirk Douglas leads slaves to revolt in Stanley Kubrick's dazzling 1960 epic. Starring Peter Ustinov, Laurence Olivier, Tony Curtis, Jean Simmons; a new restored print. Odéon Marble Arch (0428 914501)

◆ **URAMUS** (15): Dark, powerful drama from Marcel Aymé's classic novel about the setting of a score in post-World War II France. Starring Jean-Pierre L  aud, Claude Brasseur, Claude Brasseur. Lumiere (071-435 2443)

THEATRE GUIDE

Jeremy Kingston's assessment of current theatre in London

◆ **HOUSE FULL, RETURNS ONLY** (C) Seats at all prices

◆ **BLACK SNOW**: Robin Bailey a suburban family. Starring Ian McKellen, National (Cottesloe), ICA, SE1 (071-435 2252). Today, 2.30pm and 7.30pm. 145mins. Final performance.

◆ **COURSE OF THE STARVING CLASS**: Held in rural California: revival of Sam Shepard's brutal drama of family life, powerful but unrelentingly bleak. The P.L. Barbican Centre, SE1, SW1 (071-438 8881). Today, 2pm and 7.30pm. 130mins. Final performance.

◆ **DANCING AT LUGHANASA**: Brian Friel's Oscar Award-winning memory play. Performance looks like a play. Phoenix, Charing Cross Road, WC2 (071-887 1044). Mon-Sat, 8pm, mats 3pm, Sat, 4pm. 150mins.

◆ **DEATH AND THE MAIDEN**: Juliet Stevenson, Michael Byrne. St. Paul's Church, Chancery Lane, WC2 (071-730 1149). Mon-Sat, 8pm, mat 3pm, 120mins.

◆ **DONT DRESS FOR DINNER**: Simon Callaghan in average, French-bourgeois life. Apollo, Shaftesbury Avenue, W1 (071-494 5070). Mon-Fri, 8pm, Sat, 8.30pm, mats Wed, 3pm, Sat, 5pm. 130mins.

◆ **GOOD GOLF MISS MOLLY**: Cheerful trip through Fifties and Sixties life. Finty plot but no major stars. Arts, Great Newport Street, WC2 (071-835 2132). Mon-Thurs, 8pm, Fri, Sat, 5.45pm and 8.20pm. 120mins.

◆ **THE HUNTING OF THE SNARK**: Good things in the past, elaborate spectacle: but the story is a fable in a haystack. Prince Edward, Old Compton Street, W1 (071-734 5551). Mon, 8pm, mats Thurs, Sat, 3pm. 150mins.

◆ **TARTUFFE**: Paul Eddington directs. John Sessions stars. Felicity Kendal is told in a nearly successful *Mollie*. Phoenix, Charing Cross Road, WC2 (071-887 1044). Mon-Sat, 7.45pm, mats Wed, Sat, 3pm. 120mins

TODAY'S EVENTS

Rodgers as the Countess, Cathryn Pope as Susanna, Donald Adams as Bartolo, and John Graham Hall as Basilio. Opera North, Leeds. 7.30pm. 150mins.

◆ **PROKOFIEV CENTENARY**: The Nash Ensemble and mezzo-soprano Elena Zarembka perform a programme featuring Prokofiev's Quintet in G, Op 39; Overture on Hebrew Themes; Shostakovich's Piano Quintet in G minor, Op 37; and songs by Shostakovich. Barbican, St. Martin's Lane, London WC2 (071-438 8881). 7.45pm.

◆ **CHRISTY MOORE**: Veteran, generally self-accompanied, Irish singer-songwriter, who has built an enormous reputation for his impassioned performances, begins one of his regular London visits. Tonight, Mon-Sat, 8pm and 10.15pm. 15-17, Hammersmith Old, Queen Caroline Street, London W6 (011-748 4081). 7.45pm.

◆ **EMPIRE BRASS**: A visit by the North American brass quartet Empire Brass, performing a wide-ranging programme including pieces by Rimsky-Korsakov, Borodin, Shostakovich, Rossini, Copland, Tchaikovsky and others. Royal Academy of Music, Marylebone Road, London NW1 (071-935 5461). 8pm.

◆ **HALLÉ**: British conductor James Judd conducts the orchestra in works by Malcolm Arnold (Second Symphony).

WORD-WATCHING

Answers from page 16

BEFANA (c) An Epiphany gift, from the Italian *La Befana*, a toy-bringing old woman, a personification of Epiphany, from the Greek *epiphaneia*. "If you are not a good boy, your befana will be a stick to beat you with not a toy."

ZANZE (c) An African musical instrument consisting of a wooden box having six long tongues of bamboo or iron which the performer vibrates with his thumb and forefingers, Marungu from the Arabic *zay*. "The musical-box is an elaborated mechanical analogue of the zanze."

DENNET (b) A light open two-wheeled carriage akin to a jige, fashionable in England c. 1818-1830, from the inventor's name. "A certain gte and horse, popularly known in this city as the discount dennet."

TUPIK (c) An Eskimo skin tent, used as a summer residence, from the Eskimo of Alaska: "Wooden houses have largely replaced the former tupiks."

WINNING MOVE

By Raymond Keene, Chess Correspondent

This position is from the game Smart - P. Littlewood, Charlton 1983. Black to play and win.



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Gummer rejects EC challenge over milk

By MICHAEL HORNSBY
AGRICULTURE
CORRESPONDENT

BRITAIN is to be taken to the European Court of Justice on charges of condoning a breach of European Community law after the government yesterday rejected a legal challenge by Brussels to the monopoly powers of the Milk Marketing Board.

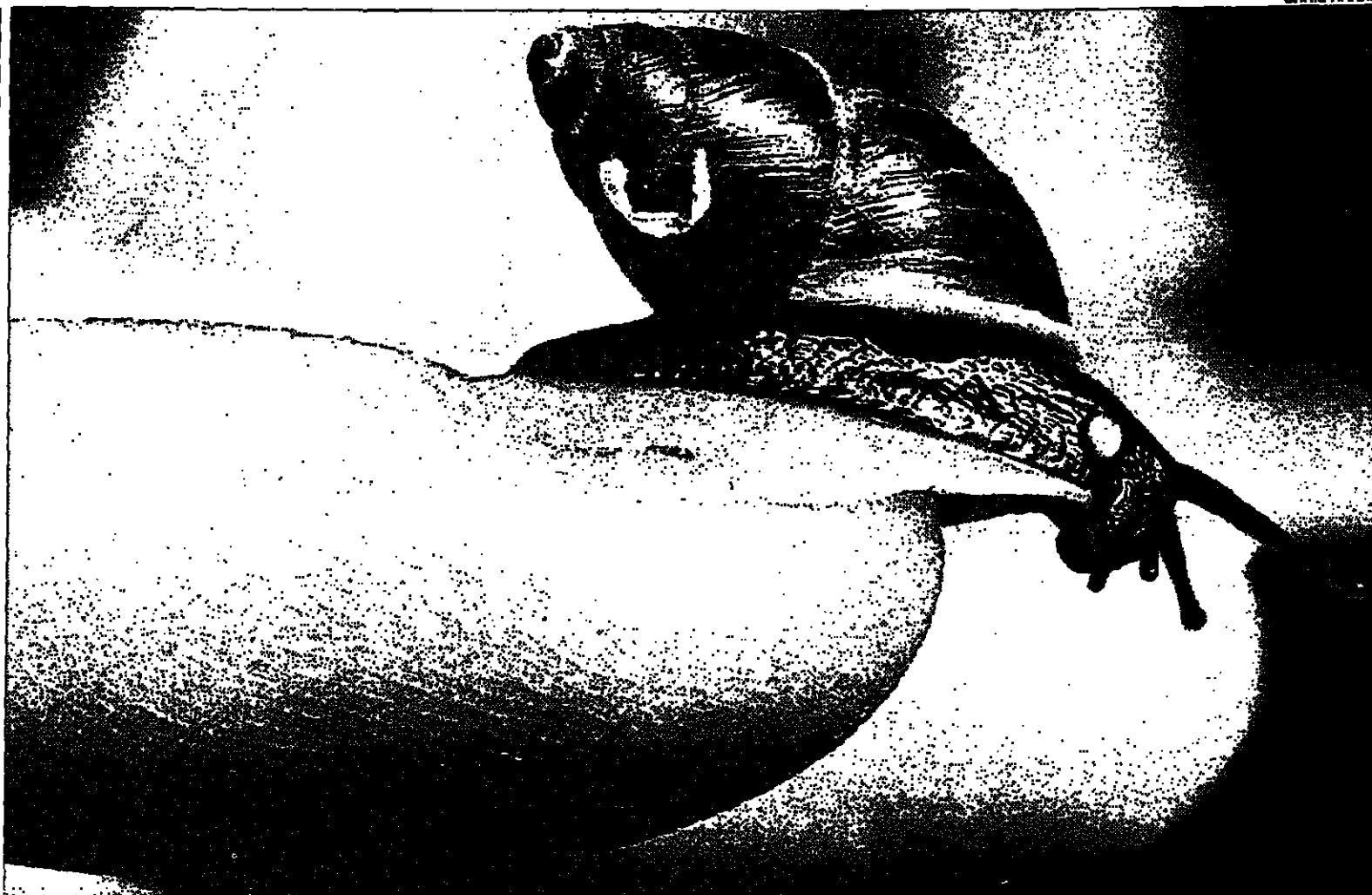
John Gummer, the agriculture minister, said he had decided to defend the board because he wanted to see an orderly transition to a new structure and was not prepared to allow the present system to collapse into chaos. At the annual lunch of the Dairy Trade Federation, Mr Gummer said: "I want to take this opportunity to make it absolutely clear that change is essential. I remain committed to encouraging the industry to make progress on its proposals for ending [the board's] statutory monopoly."

Last March the board proposed turning itself into a voluntary co-operative, a proposal that has divided dairy farmers. Mr Gummer said yesterday he welcomed this proposal and urged the board and the Dairy Trade Federation, representing the processors, to start discussions on how to put it into effect.

The nub of the dispute with Brussels is the legal interpretation of the board's exclusive right to buy milk produced by the 31,000 dairy farmers in England and Wales. Brussels says that low-fat milk, which accounts for 40 per cent of milk sales, is a processed product and falls outside the board's powers. On that view, farmers who separate the fat themselves, or who have a commercial interest in a dairy that does, are not obliged to sell to the board. The board and Mr Gummer say that interpretation would undermine the whole marketing scheme.

Over the past year about 300 dairy farmers have begun processing their own milk and selling outside the scheme. They say they can get better returns for their milk and offer it at a more competitive price.

In a "reasoned opinion" sent to Mr Gummer, the commission accused the board of impeding lawful competition and using "intimidatory" methods to prevent dairy farmers leaving the marketing scheme. Brussels also said that the three regional milk marketing boards in Scotland had behaved illegally by amending the law to include low-fat milk within their powers.



Clinging on: one of two rare snails bred at Nottingham University as part of an international programme to prevent the extinction of the species *Partula mirabilis*. The snails, which are indigenous to the Pacific island of Moorea, have been almost wiped out by bigger snails that eat them. The Nottingham snails, about half an inch in length, with pink and brown stripes, have prospered on a diet including chalk and porridge oats

BBC1 armed with £160m to take on ITV in ratings war

By MELINDA WITTSTOCK, MEDIA CORRESPONDENT

PLANS to strengthen drama and entertainment on BBC1 by investing an additional £160 million over the next four years were disclosed yesterday. The corporation at the same time announced significant cuts in its television production facilities.

The shake-up, which involves the closure of excess studio capacity and the relocation to the regions of entire departments, is aimed at strengthening network production in Manchester, Birmingham and Bristol. A range of programmes is to be transferred out of London and the South-East.

The changes come after a year-long study of network television resources by John Birt, who is to be the next director-general. They are expected to save £25 million over the next four years. The changes were made necessary by the BBC's need to meet the government's 25 per cent quota of independent productions by 1993.

The £160 million (£40 million a year) is intended to help BBC1 to catch up with ITV in

the ratings starting next autumn. Another £1 million will be spent on "prestige documentaries". The money became available after cancellation earlier this year of a new building to house current affairs.

Michael Checkland, the present director-general, said yesterday: "The investment in programmes made for our two television networks outside London and the South-East is too low, with too much of the money paid by licence-payers



Checkland: too much is spent in the South-East

across the country spent in the South-East. We must reflect regional creativity and cultural diversity."

Youth and religious programming are being transferred to Manchester. All daytime programmes are moving to Birmingham, and part of the documentary features department is relocating to Bristol.

Two of the BBC's four studios at Elstree are to close, with quizzes and history programmes moving to west London and the documentary unit to Bristol. *EastEnders*, *Grange Hill*, *Allo! Allo!* and *Top of the Pops* will continue to be made at Elstree for the foreseeable future. The restructuring also means the closure of six studios, and the abolition of nine outside broadcasting units, eight single camera units, 71 editing suites and four film crews. The BBC has already closed Lime Grove and the BBC Theatre.

The changes were immediately criticised by the broadcasting unions. "Birt is just moving chess pieces around the board: this is not

the medicine the BBC needs. The real winners of this restructuring will be Pickfords' removals," Tony Lennon, president of BECTU, the Broadcasting union, said.

The restructuring has also angered BBC department heads, who claim the changes are being pushed through by Mr Birt and a small "right-lipped team" who have not consulted other senior executives or staff. But William Wyratt, managing director of BBC Television, said that although the relocation would be "painful and disruptive" for staff, it would strengthen the BBC's output.

The BBC would not disclose how many employees are to be asked to relocate, nor would it disclose total relocation costs. But 300 jobs will be lost. Mr Checkland said the redundancies were included in the figure of 3,000 job losses that he disclosed last month. Mr Lennon believes, however, that between 20 and 25 per cent of the 14,000 people now working in network television will lose their jobs as a result of the new "internal market".

New move to oust Haughey

By EDWARD GORMAN
IRISH AFFAIRS
CORRESPONDENT

CHARLES Haughey, the Irish prime minister, is expected to face a new challenge from within his party this week after a Fianna Fail backbencher last night proposed a no-confidence motion in his leadership of the party.

The motion, which is likely to be taken at a special meeting of the Fianna Fail parliamentary party on Saturday, comes as uncertainty continues over the future of the government in the light of Mr Haughey's handling of a series of financial scandals.

The motion which calls on deputies to vote in a secret ballot to end Mr Haughey's premiership, was proposed by Sean Power, who represents Kildare. He said that Mr Haughey had lost control of the party and that he wanted to re-establish the stability and credibility of the government and of Fianna Fail.

Should Mr Haughey lose, after a 12-year stint as leader, Albert Reynolds, the finance minister, is favourite to succeed him.

Political sketch

Was it a giveaway — or a takeaway?

AUTUMN statements are gobbledygook. The day has passed when we could tell what Chancellors meant from what they said. We rely on little signs: winks, nose-tappings, tilts of the head; but even these can mislead. There is a better way. Just watch Mrs Thatcher's face.

No point in watching Mr Lamont's. Increasingly, the Chancellor resembles a super-intelligent penguin who has taken to walking on his hind legs and grown dignified beyond all expectation. His gravity is a wondrous thing. Gruff of voice and confident of bearing, Mr Lamont's features are unruffled by pleasure, pain or any of the ordinary emotions. There is a great deal here, struggling to get out.

This presents backbench MPs with a problem. Of serious economics they know little. They do not expect to understand him.

They hope for a code — a smile, an aside from someone in the know — alerting them to what it all means.

But yesterday there was no code. The House was in the dark. The House heard Mr Lamont, and it was still in the dark. Was this a cynical election bribe or an unyielding crack of the fiscal whip? Was it a giveaway or a takeaway? MPs listened and were none the wiser. When, to an innocent enquiry from Mervyn Rees, Lamont snapped: "It's not a cynical giveaway" — words Rees had not breathed — few took the bait. Mrs Thatcher said nothing.

Questions to the caretaker government secretary had been more fun. These dealt with unpleasant things floating in the sea. The House felt at home. Unpleasant things are something — if we may put it this way — that an MP can get a grip on. They could walk straight past a GDP deflator, unawares, but would recognise what Iwan Wyn Jones was talking about if they swam into one. Jones

(Piaid Cymru, Ynys Môn) had asked when clean beaches. He thought the government was not doing enough. "Hear, hear!" growled Labour. Gareth Wardell (Lab, Gower), offering enough science to impress without dissuading colleagues, spoke in Welsh of "coliforms" off Barrow-in-Furness, of which he felt there were too many. Michael Brown (C, Brigg & Cleethorpes) hit back, congratulating ministers on "a massive clean-up of Cleethorpes beach". "Hear, hear! Hooray!"

Carried away by loyalty, John Marshall (C, Hendon) leapt up to congratulate ministers, too. Many had supposed Henderson to be landlocked; but if it were necessary to discover a beach at Henderson to prove his loyalty, Mr Marshall would do so.

But happy times must end, and soon Mr Heseline and his men departed. In came the penguin carrying his sheaf of numbers. He barked of cyclical indicators and non-oil GDP, and perplexity grew. All MPs wanted to know whether he was giving away a lot of yes or no? A sign that indeed he was was provided by the frequent use of words like "prudent", "disciplined" and "fiscally responsible". That he had no idea where the money would come from was betrayed by the phrase "over the whole economic cycle". "Over the cycle"?

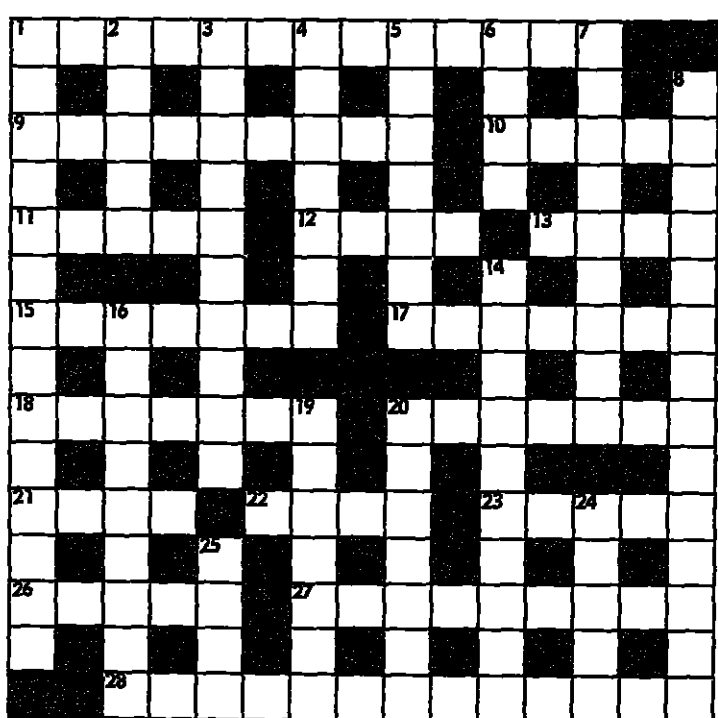
Matthew Parris

TESTS TO SNUFF OUT THE GAS

A new, tougher vehicle test was introduced a week ago to reduce the emissions of toxic gases from exhausts. Many motorists deliberately had their cars tested before the deadline to avoid the more stringent checks. Garages reported a 40 per cent increase in the number of tests during the week before the new test came into operation. However, they are merely postponing the inevitable because even higher standards are expected in a few years, whichever party is in power after the next election.

Tomorrow, Kevin Eason, the *Times* motoring correspondent, outlines the new test and assesses its effect.

THE TIMES CROSSWORD PUZZLE NO 18,757



WORD-WATCHING

By Philip Howard

REFANA

- a. A beef open sandwich
- b. The Italian nightingale
- c. An Epiphany present

ZANZE

- a. A Dutch inland sea
- b. A Brazilian stinging fly
- c. An African musical instrument

DENNET

- a. A small sound
- b. A light jig
- c. A net for trapping caves

TUPI

- a. A tooth-pick
- b. An Amerindian language
- c. An Eskimo skin test

Answers on page 24

AA ROADWATCH

For the latest AA traffic and road works information, 24 hours a day, dial 0836 401 followed by the appropriate code

London & SE

C. London (within N & S Circs)

M-ways/roads M4-M1

M-ways/roads M1-Dartford

M-ways/roads M2-M4

M25 London Orbital only

National

National motorways

West Country

Wales

Midlands

East Anglia

North-west England

North-east England

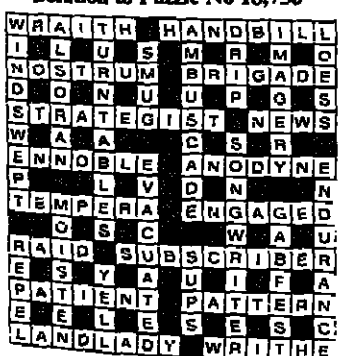
Scotland

Northern Ireland

AA Roadwatch is charged at 36p per minute (cheapest rate) and 48p per minute at all other times.

- ACROSS
- 1 Equal in courage to some players, particularly forward (2,2,5)
 - 9 Militant taking aim in front of range (9)
 - 10 Modern paintings in old section? (2,3)
 - 11 Star gets runs, leading one cricket side's comeback (5)
 - 12 Confession of one who does religious work (4)
 - 13 Indication queen is pleased by pronouncement (4)
 - 15 Costs halved by new rulers (7)
 - 17 Characters in trans, i.e. conductors (7)
 - 18 Make unsound interpretation of speech (3,4)
 - 20 Expression of approval curate only partly got (4,3)
 - 21 Where convict returns, having pinched ring? (4)

Solution to Puzzle No 18,756



- DOWN
- 1 A proper student, according to Pope (14)
 - 2 Report about hard drug (5)
 - 3 Cut off from main source of love and shut up (4-6)
 - 4 Liar I found tucking into fruit (7)
 - 5 Sort of farce that could dispel boredom? (7)
 - 6 Highly placed characters in front of queue, say (4)
 - 7 E.g. Oscar and Parisian caught in the act (9)
 - 8 Gun shooting Falstaff's sidekick (6,6)
 - 14 Unpleasant private Joe ordered about (10)
 - 16 I am put out after concert's short musical piece (9)
 - 19 Inanimate face showing no emotion (7)
 - 20 Italian known for writing plays, or performing one (7)
 - 24 A substance to feed animals (5)
 - 25 One positive response can produce more (4)

Finish off tour, having left eastern Russia originally, getting monthly magazine containing first travel writing, photography, ideas and crossword, available at WH Smith, John Menzies, Foyles and new agents nationwide (8,9)

Complete

Concise Crossword, page 23

WEATHER

Northern Scotland will be cold with a little sunshine and there will be showers with snow on hills. The rest of the country will be cloudy with rain at times, some of it heavy, although southern Scotland and Northern Ireland will turn clearer during the evening. The south-east will be dry and cloudy with a few brighter spells. All parts will be windy and quite chilly. Outlook: cold and windy with some sunshine.

ABROAD

MIDDAY: 1-4 sun; 5-8 drizzle; 9-12 sun; 13-16 sun; 17-20 sun; 21-24 sun; 25-28 sun; 29-31 sun

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THE TIMES WEATHERCAL

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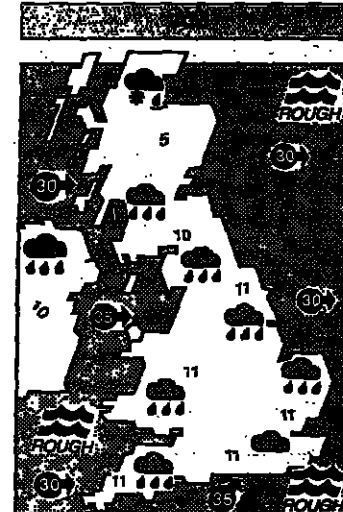
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Temperatures at midday yesterday: C, F. Rain: r, drizzle: dr, snow: sn, fog: fg, hail: hl, ice: ic, wind: w, sun: s, moon: m, clouds: cl, clear: c, overcast: o, part: p, sun: s, moon: m, clouds: cl, clear: c, overcast: o, part: p

First quarter November 14

Yesterday: Temp: max 6 am to 6 pm, 10C (50F); min 6 pm to 6 am, 10C (50F). Rain: 24hr to 6 pm, 0.2 in. Sun: 24hr to 6 pm, 0.2 in.

Today: AM, HT, PM, HT, TODAY, AM, HT, PM, HT

THURSDAY NOVEMBER 7 1991

TODAY IN BUSINESS

LAMONT'S MENU



Anatole Kaletsky, economics editor, assesses Norman Lamont's maiden autumn statement, the last before next year's general election
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SOVIET AID

As queues stand dozens deep outside Moscow bread shops, Lewis Preston, president of the World Bank, tells Mary Dejevsky that economic aid may have come too late to help the Soviet Union
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ARROW TRIAL



In the Blue Arrow trial, David Reed, head of corporate finance at County NatWest, said support for the rights issue was not intended to mislead
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RATE CUT

America's discount rate was cut a half point to its lowest level in 18 years, triggering a prime rate cut, as the Federal Reserve Board sought to calm widespread fears about a stalling economic recovery
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CHIEF RETIRES



Sir George Turnbull, Inchcape chairman, is taking early retirement. Sir David Orr, former chairman, returns to the helm
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THE POUND

US dollar 1.7713 (+0.0028)
German mark 2.9058 (-0.0007)
Exchange index 91.3 (+0.1)
Bank of England official close (4pm)

STOCK MARKET

FT 30 share 1949.6 (+1.5)
FT-SE 100 2534.2 (-6.7)
New York Dow Jones 3033.77 (+2.48)
Tokyo Nikkei Avege 24750.20 (-200.66)

INTEREST RATES

London: Bank Base 10 1/4%
3-month interbank 10 1/4%
3-month eligible bills 10 1/4%
US: Prime Rate 7 1/4%
Federal Funds 4 3/4%
3-month Treasury Bills 4 5/4 62%
30-year bonds 10 1/2% 10 1/4%

CURRENCIES

London: New York
£ \$1.7713
£ DM 2.9058
£ Sfr 2.5342
£ FF 6.5596
£ Yen 200.48
£ Ind 91.3
ECU 10.7793
£ ECU 42.0664
SDR 1.283161

GOLD

London: New York
AM \$354.40 pm \$354.50
close \$354.20-354.70 (€188.80-200.30)
New York: Close \$355.35-355.85

NORTH SEA OIL

Brent (Dec) \$22.20 bid (\$22.40)
RPI: 134.6 September (1987=100)
* Denotes midday trading price

Speech and US rate cut bolster shares

Lamont gives a fillip to the markets

By OUR BUSINESS STAFF

FINANCIAL markets reacted positively after the Chancellor delivered his autumn statement. His attention, however, was focused more across the Atlantic, where the further cut in interest rates did more than anything Mr Lamont said to raise hopes of a further small cut in UK rates.

sterling was steady, gilt-edged stocks gained up to half a point and the FT-SE 100 share index, which had lost 17 points by early afternoon, rallied to close only 6.7 points down at 2,534.2.

There was relief that the Chancellor's new economic and spending forecasts contained no unpleasant surprises and that public spending increases which might help recovery in 1992-3 had been accommodated with the help of a rise in planned privatisation proceeds from £5.5 billion to £8 billion. But City economists thought the economic forecasts optimistic. The increase in the forecast

public sector borrowing requirement for 1991-2 from £8 billion to £10.5 billion leaves it below most City estimates. However, Simon Briscoe of Greenwell Montagu said the Treasury's cautious forecast was a relief. It showed that the government knew of no nasty secrets, even though the forecast of 4 per cent inflation at the end of next year was disappointing.

John Reynolds, equity strategist at County NatWest, said Mr Lamont was trying to paint a bright picture on economic recovery. "Stocks geared to cyclical recovery will benefit, but that's not going to happen until we see real evidence of a recovery." There were modest rises in some stores shares.

Bill Martin, chief economist at UBS Phillips & Drew, said he did not expect any great market reaction. "People had guessed what he was going to say. My own doubt is over the scale of the consumer-led recovery."

Most business leaders cautiously welcomed the state-

ment, though some felt it overstated the extent of the economic recovery. John Banham, director-general of the CBI, said the Chancellor's forecasts seemed "appropriately prudent", but the CBI's own economic forecasts suggested that by the end of next year inflation could be lower than Mr Lamont indicated. "There should therefore be scope in the budget for measures to help reverse the decline in fixed capital investment," he said.

John Smith, chairman of the Building Employers' Confederation, said he was disappointed at the apparent lack of extra spending on housing. He welcomed the likely increase in school and NHS building work, but said there was nothing to prevent the loss of 250,000 jobs in construction by the end of next year. Miles Middleton, president of the Association of British Chambers of Commerce, said: "Businesses across the country will welcome the recognition that now is not the time to be making cuts in public spending."

Others criticised the Chancellor's "sleight of hand". Peter Spencer, of Shearson Lehman, said: "Norman Lamont was cast in the role of old Mother Hubbard who went to the cupboard and found there was nothing inside. Without the £8 billion privatisation receipts, the PSBR for 1992-3 would be £27 billion. That is what you would expect under a Labour government."

Peter Warburton, of Robert Fleming, said: "This autumn statement is evidence of unfulfilled optimism... The forecasts seem to be driven by surveys rather than economic analysis."

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South hit: but Lord Sainsbury reported that food sales in the North had held up

Sainsburys feels pinch

By GILLIAN BOWDITCH

CONSUMERS in the South are beginning to tighten their belts as the recession bites deeper. Lord Sainsbury, the chairman of J Sainsbury, said that, from mid-July, food sales in the South had been hit by the recession, although those in the North had held up.

He said that sales are "not buoyant". But the group managed to increase its pre-tax profits by 19.8 per cent to £327.5 million in the six months to end-September, a 16.3 per cent rise after adjusting for the rights issue in June. Sales rose 12.2 per cent to £4.8 billion and earnings per share 15.6 per cent to 13.5p. The interim dividend goes up 15.6 per cent to 2.4p.

Lord Sainsbury put the group's strong performance down to improved price competitiveness, control of costs and robust sales, leading

to an increase in market share. Sainsbury now has a 10.28 per cent share of the markets in which it operates, compared with Tesco's 9.5 per cent.

A total of 700 own-label lines have been introduced since March, 200 are non-food items. Lord Sainsbury said the group only introduced an own-label product where it could beat the market leader in terms of quality, price or both.

During the first half, 11 supermarkets were opened and the group has plans to increase the supermarket sales area by an average of 8 per cent per annum. Capital expenditure in the first half was £454 million.

Lord Sainsbury said a third of the population was still not within easy driving distance of a Sainsbury store. Homebase, the DIY di-

vision, had a good first half with sales up 19 per cent to £150 million and operating profits up 38 per cent to £8.8 million. It now has an 8.4 per cent share of the market.

Shaws, the group's American supermarket chain, suffered from the recession in New England with sales down 5 per cent to \$991 million and profits down 10.5 per cent to \$25.6 million.

Lord Sainsbury said he was not over-concerned about Gateway's new Food Giant discount chain. The group's Nottingham pilot store had not affected Sainsbury.

A total of £33.4 million of interest was capitalised in the first half and the rights issue reduced gearing from 29 to 7.4 per cent. The shares fell 5p to 347p.

Tempus, page 28

Maxwell sons move to reassure bankers

By NEIL BENNETT
BANKING CORRESPONDENT

KEVIN Maxwell, the new chairman of Maxwell Communication Corporation, held talks with the group's bankers to reassure them about the group's finances after his father's death.

Kevin and his brother Ian, the new chairman of Mirror Group Newspapers, met with merchant bankers from NM Rothschild and Samuel Montagu, their financial advisers, yesterday morning to discuss the financial status of their various companies.

MCC and MGN put out a joint statement to the Stock Exchange to confirm the meeting and request that shares in both companies remain suspended. MCC's shares were frozen at 121p on Tuesday when Robert Maxwell was reported missing, while MGN was held at 77 1/2p. Trading in the shares will resume this morning. Kevin Maxwell announced last night.

The advisers urged him to contact the banks personally to reassure them that the finances of MCC, MGN and the Maxwell family's private interests are still sound.

One merchant banker at the meeting said: "The shares have been frozen to protect shareholders. This gives everyone a chance to calm down and make enquiries about the companies."

MCC's principal bankers are Credit Lyonnais and Swiss Bank Corporation, who arranged the group's \$3 billion medium-term loan in 1989 to finance the acquisition of Macmillan, the book publisher, and the Official Airline Guides. At the time, each bank lent \$750 million.

Most British banks have also made substantial loans to MCC and other Maxwell companies. Both Barclays and National Westminster are thought to be owed more than £100 million each. The uncertainty hit bank shares, with NatWest down 10p to 299p, Barclays down 8p to 395p and Midland 9p lower at 219p.

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IBH assets may be split to lift value

From BRIAN BUCHANAN IN SYDNEY

JOHN Elliott's International Brewing Holdings is considering a bold plan to split its assets. The plan would involve putting the non-brewing assets, the rural and finance divisions, into a separate company, in a move to enhance the group's total value.

Mr Elliott is thought to believe that the sum of the two parts, as valued by the stock market, would be greater than the existing structure's capitalisation.

The plan would also seem to indicate that IBH's reported earlier plan to sell the brewery assets for a faster capital return has been abandoned.

The boardroom battle at Foster's Brewing, meanwhile, has intensified with the release of a letter from three independent directors of Foster's on Tuesday in which they

said they would resign if Mr Elliott succeeded in gaining control of the company.

The three directors said they did not support any fundamental change in the company's long-term strategy of becoming a single purpose brewing company to achieve short-term gains.

Two weeks ago, Mr Nadir was charged with 58 more counts of theft worth £130 million, taking the total value of the charges against him to £155 million. Mr Nadir's counsel hope the case will be transferred to a crown court



Elliott: bold plan in mind

Former Polly Peck accountant charged

By ANGELA MACKAY

JOHN Turner, the former group chief accountant of Polly Peck International, was charged at Holborn police station with ten offences of false accounting yesterday. He was released on police bail to appear at Bow Street magistrates court today at the same time as Asil Nadir, chairman of the collapsed fresh fruit, electronics and hotels group.

Mr Turner is the second Polly Peck executive to be charged in the long-running investigation, which began last September.

Today, after a one-day hearing in private, the judge who granted the original injunction against the bank on October 22 ruled that it should continue for a further 14 days, when he will review the matter again.

It is almost a year since Mr Nadir was first arrested. A north Cyprus bank, alleged to have channelled £142 million out of PPI, has failed in a High Court bid to lift a worldwide asset freezing order imposed on it two weeks ago.

The Industrial Bank of Cyprus, which is almost entirely owned by Mr Nadir, is one of seven defendants in an action launched last month by PPI's administrators aimed at recovering between £400 and £500 million allegedly transferred from PPI without the authority of its board.

Today, after a one-day hearing in private, the judge who granted the original injunction against the bank on October 22 ruled that it should continue for a further 14 days, when he will review the matter again.

MPs investigate the BCCI affair

Broker denies blame for lost £42m

By SHEILA GUINN
POLITICAL CORRESPONDENT

A LEADING money broker came under fire from MPs yesterday over his firm's advice to local authorities that lost £42 million in the collapsed Bank of Credit and Commerce International.

Questioned by a parliamentary enquiry, Ronald Sandler, chairman and chief executive of Martin Bierbaum Group, said an extensive internal enquiry into the relationship between the Edinburgh office of R P Martin, a wholly owned subsidiary, and BCCI had found "absolutely nothing untoward". Martins handled about half the local authority investments in BCCI.

Mr Sandler, however, confirmed that the head of the Edinburgh office had made a marketing visit to the Western Isles council, which lost £23 million in the collapse, with a representative of BCCI. It is understood that Iain Mac-

Leod, who is related to the Western Isles council finance official, was the broker concerned and the visit took place in September last year.

Mr Sandler disagreed with MPs that the joint visit gave the council the impression that the brokers had "a special confidence" in the bank.

Giles Radice, Labour MP, pointed out £45 million of public money had been lost. Mr Sandler replied: "I am deeply distressed that that money has been lost. I do not hold that R P Martin was responsible."

After the session, some MPs on the committee said they would consider calling Mr MacLeod and the other four brokers from the Edinburgh office to give evidence.

The committee's report will be published before Christmas and is expected to recommend stricter regulation and guidance on council investments. The

MPs will continue their wider enquiry into banking supervision next year.

During the hearing, Mr Sandler denied his brokers were paid "over the odds" by BCCI for recommending the bank to local authority treasurers. BCCI paid 1/10 of a percentage, which was the usual rate, he said.

John Beverly, head of the Bank of England's wholesale markets supervision division, told the enquiry that the list of authorised institutions in no way guaranteed their creditworthiness.

A bill designed to protect depositors caught up in bank closures and collapse was published yesterday in the hope that a backbench MP will pilot it through the House of Commons.

The measure, drawn up by the BCCI depositors' protection association, would improve the compensation arrangements available to British banking depositors.

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Recession hits business growth in all regions

By PHILIP BASSETT, INDUSTRIAL EDITOR

BUSINESS growth has been hit hard by the recession, according to government figures published yesterday that show sharp declines in the net growth of companies in all regions of Britain.

While the government insisted that the figures showed that small firms are "remarkably resilient" in the recession, the new breakdown on the number of companies registering and deregistering for VAT purposes indicates how hard and how early the recession has hit.

The figures, which cover only last year and so do not take account of the continuing downturn, which many economic analysts say has got much worse this year, show that the net growth in businesses throughout the Eighties reversed sharply last year as the recession started to bite.

The figures for last year show a small fall in the number of registrations for VAT, down from 255,000 in 1989 to 235,000, and a small increase in the number of deregistrations, up from 172,000 to 185,000, giving a net change in the stock of VAT-registered business of 3 per cent.

Regular figures for insolvencies, from the trade and industry department and insolvency specialists, have shown a sharp rise in the number of companies going out of business in this year.

But the employment department, which maintains the VAT registration figures, pointed out yesterday that the rise in insolvencies does not so much reflect an increase in the total number of business closures, but in the proportion of them that result in insolvency proceedings.

Most businesses that cease trading do so without going through formal insolvency

procedures, and the department said that the lower increase shown by what it said were the more comprehensive VAT figures were a clear sign, in particular, of the relative strength of small companies.

Even so, the rate of alteration in the net change figures drawn from registrations and deregistrations have shown sharp falls. Nationally, the rate of change over 1989-90 is down 43.4 per cent. The largest decrease was in the North, at 55.3 per cent, and the smallest in the Southeast, at 37.7 per cent. But every region saw a decline of more than a third in the net rate of business growth, with many close to a half.

Over the past decade, a new analysis of VAT registrations from the department shows that the overall number of businesses registered has risen by 420,000, or 33 per cent.

The employment department, however, accepts that the rate of increase has been far from steady. It accelerated rapidly from 1985 to 1989, before falling back last year.

Eric Forth, employment minister with responsibility for small firms, said the figures showed that business closures had risen less than 10 per cent in the recession rather than the 30 per cent or more suggested by commonly quoted figures concerning bankruptcies and liquidations. Mr Forth said: "Now we need to concentrate on growth, both in the numbers of start-ups and expansion for the existing small enterprises."

A separate study carried out by Newcastle University and published by the employment department suggests that the overall job creation of small companies is less affected by economic swings than that of larger firms.



Taking over: Charles Mackay, who is promoted to chief executive of Inchcape

Inchcape chief forced to retire this month

By MICHAEL TATE, CITY EDITOR

SIR George Turnbull, who has transformed the Inchcape international services and marketing group over the past five years, has stepped down as chief executive on medical advice. He will also retire as chairman this month.

Charles Mackay, chairman and chief executive of Inchcape Pacific, the group's Far Eastern subsidiary, who was earmarked as group managing director-elect in March, takes over as chief executive immediately.

Sir David Orr, deputy chairman, who was chairman before Sir George, will act as chairman after the November 21 board meeting and stay until a permanent successor is found. Inchcape said that Sir George, aged 65, has been unwell in recent weeks and that his doctors say he needs complete rest.

While Inchcape's recent success is largely credited to Sir George, investors will be reassured by the appointment of Mr Mackay, aged 52, and by the attention that the board had given to the question of succession. Mr Mackay, who joined Inchcape in 1986, said that continuity of strategy, organisation and management was assured.

"I share Sir George's confidence in the ability of the group to continue to grow substantially in the years ahead," he added.

Sales cut gearing in half at Crest

By MATTHEW BOND

BORROWINGS at Crest Nicholson, the housebuilder and commercial property group, have fallen sharply after the successful sale of commercial developments and land for £45 million.

Crest shares rose 5p to 41p as John Callcutt, who took over as chief executive in July, confirmed that the disposals had reduced Crest's gearing from 82 per cent at the end of April to 44 per cent on current shareholders' funds. Net borrowings have fallen from £104 million to £55 million.

Mr Callcutt said the pace of disposals was running ahead of the planned schedule. "We are making faster progress than we thought possible," he said.

The sales had been particularly heartening because a wide range of projects around the country was involved and prices achieved had been above book value.

Crest did not intend to withdraw from commercial development altogether. Mr Callcutt stressed. The total cost of the company's commercial developments is £115 million. At the year-end, the company made a £12 million provision against the portfolio.

Mr Callcutt said that although projects worth about £60 million remained, only about £35 million of completed developments were earmarked for sale. The balance of the portfolio was in development land, which would be retained.

He added: "We have made a lot of money in commercial development in the past and it will be profitable again in the future."

However, Crest would not be carrying out any large speculative developments, he said.

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Confidence justified by Sainsbury profits

PRICE war, saturation, new discount formats - Lord Sainsbury has heard it all before. It is difficult not to admire his confidence at a time when the food retailing sector as a whole is facing a period of uncertainty and pressure.

The confidence appears to be justified by the numbers. Pre-tax profits rose 19.8 per cent to £327.5 million in the six months to end-September. The rise is 16.3 per cent if the £489 million rights issue is taken into account. Sales rose 12.2 per cent to £4.8 billion and earnings per share rose 15.6 per cent to 13.5p. The interim dividend is up 15.6 per cent to 2.4p.

Scratch a little deeper, however, and the cheery picture of the last decade appears to cloud. J Sainsbury's sales rose 12.9 per cent to exceed £4 billion for the first time, but volume growth was the same as last year and like-for-like sales declined marginally.

Market share increased 0.4 per cent to 10.2 per cent. Operating margin rose 0.06 percentage points, but most of the margin growth came from Homebase and Savacentre.

Maintaining margins is vital to the group's profitability, according to Salomon's figures. An 0.5 percentage point decline in margin would wipe £60 million off profits, but with the consumer focused on price, Sainsbury has less scope to maintain margins through price increases.

Lord Sainsbury's response to talk of a price war is that in a highly competitive trade, life is one long price war. He can show that Sainsbury is 2 per cent cheaper than the average large supermarket group.

In a week when Gateway has rolled out a new discount format promising a 10 per cent cut in prices and Asda is expected to relaunch some supermarkets as discount stores, price competitiveness may be entering a more cut-throat era.

Sainsbury remains the superior player in the supermarket sector on almost every indicator. Gearing is only 7.4 per cent. However, with Sainsbury's current sales "not buoyant" and with the whole sector down 1.2 per cent over the past two years, nobody should be surprised when the remarkable earnings growth of the past decade starts to slow.

Assuming pre-tax profits of £610 million for the full year, the shares, down 5p to 347p, are trading on a price earnings ratio of 13.9 times. Sainsbury deserves a premium, but with the whole sector set for a rescaling downwards, the shares, which are close to their five-year high, are unlikely to outperform in the short term.

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Blenheim

ONE exhibition that Blenheim Group has successfully staged for the past 11 years has been its annual profits parade.

This year to end-August is no exception, with pre-tax profits up from £21.3 million to £28.3 million. The hint about the next profits show is equally encouraging. Neville Buch, chairman, is already billing that 55.7 per cent of projected revenues for the next 12 months has already been realised or contracted.

Blenheim shares, which have run up rapidly since February from 192p to 428p rose a further 15p to 443p yesterday, and remain a market favourite. The attraction is not only the prospect of further profits growth, but also the fascination about the share register.

When former deputy chairman Lawrie Lewis left Blenheim in May, his then 12 per cent stake was offered to, and bought by, Ziff Communications Company of America. The French, meanwhile, in the form of Phenix (con-



Buch: encouraging hint

trolled by Compagnie Générale des Eaux), are already holders of 12 per cent, with the option to go up to 30 per cent. The French holds 30 per cent, and BAT Industries has a two million share holding.

The higher issued share base meant net earnings rose less sharply, 24 per cent, than the 33 per cent jump seen at the pre-tax level. For the moment debt-funded, rather than share-funded, acquisitions are the preferred choice.

On a like-for-like basis the profits contribution from Britain was £8.3 million

against £8 million, that of France £10.5 million (£11.8 million), while the greater presence in America saw £14.6 million (£2.5 million) from American activities. Blenheim aims to strike a balance between its ecu and dollar earnings.

A year-end change from August to December is planned, so a pro-forma £35 million pre-tax profit (£47 million for the 16-month period) puts the shares on 17.1 times prospective earnings. Hold.

Bellway

WHEN Bellway asked shareholders for £25 million in April, the Newcastle builder promised shareholders that the money would be used to buy land. The results show it has been as good as its word.

By the July year-end, the rights proceeds had swelled the company's cash deposits to £35 million. Now those balances have fallen to £20 million as the company's shopping spree gets underway. The company's consented land bank has already grown by 500 units to 6,000 plots, almost four times the 1,518 houses the company struggled to sell last year, as operating margins halved to 7.7 per cent. This buying will continue, with Bellway's positive cash flow enabling the rights money to go far.

Interest rates of 12 per cent on £32,000 cleared pre-tax profits of £9.3 million were comfortably ahead of the forecast that accompanied the rights. An unchanged total dividend of 11p was exactly as forecast, although cover fell to only 1.25 times.

The key to Bellway's future lies with the timing of the long expected recovery in the market, particularly in the Southeast. Although nationwide reservations in the first quarter are 20 per cent up on last year, the company admits there are few signs of recovery in the South where its average selling price slid from £78,000 to £65,000 last year.

As a result Bellway has spread its risk by buying more widely, rather than concentrating on the South as planned.

The first three months of next year will be critical, as they will be for all housebuilders. But with such a strong balance sheet, some improvement in profits should be possible. Assuming a rise to £13 million to £14 million, the shares at 226p stand on a price/earnings multiple of about 15. Hold.

Aberforth trust to raise £53.2m

By JONATHAN PRYNN

THE Aberforth Smaller Companies Trust (ASCoT) is raising £53.2 million for investment in small, quoted British companies by a placing and open offer of a new class of shares.

ASCoT said its net asset value per ordinary share had risen 38.2 per cent since the original placing in December last year, compared with a 20.3 per cent rise in the Extended Hoare Government Smaller Companies Index. The rise in the value of the ASCoT package is 50 per cent if the rise in the warrants is taken into account.

ASCoT said: "In view of the recent performance of the company and the prospects for small UK companies, the directors believe that it is an appropriate time to increase the capital base of the com-

pany." The 55 million new C shares being issued are priced at 100p.

About 25 per cent will be made available to existing shareholders and warrant-holders through an open offer on the basis of three new C shares for every four ordinary shares held.

The C shares are convertible into new ordinary shares when at least 90 per cent of the funds raised are invested in quoted, smaller companies to prevent dilution of the net asset value of the existing ordinary shares.

The placing and offer have been fully underwritten by James Capel. ASCoT's ordinary shares were unchanged at 140p and the ASCoT warrants steady at 60p after the announcement of the issue.

Bowater links up with Wace

By GILLIAN BOWDITCH

WACE Group, the pre-press and printing business, has concluded a preferred supplier agreement with Bowater Industries. The deal will enable the two companies to work together and will mean Bowater spends £4 million on Wace services over the next two years.

Bowater's European printing operations will have access to Wace's pre-press services that will allow Bowater to offer its clients state-of-the-art repro and digital artwork technology in packaging and commercial print.

In return, Bowater will nominate, where possible, Wace's pre-press companies for its print production units and recognise Wace as first choice of supplier. Bowater spends around £6 million a year on these services.

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Faltering economy prompts cut in US discount rate

FROM SUSAN ELLICOTT IN WASHINGTON

IN A dramatic signal of its fears about a stalling American economic recovery, the Federal Reserve Board yesterday cut the discount rate a half point to 4.5 per cent, the lowest level in 18 years. The cut was the fifth in less than a year and triggered half-point cuts in the prime lending rate by several large commercial banks to 7.5 per cent, the lowest rate since 1976.

The Fed cut the influential discount rate, which sets the interest paid by commercial banks for loans from the central bank, one day after a meeting of its policy-making open market committee. A Fed statement said the cut came amid "sluggish expansion of the monetary and credit aggregates in an environment of abating inflationary pressures".

Central bank observers had expected a cut in short-term interest rates to jump-start the economy after last week's official statistics showed a rise in national unemployment to 6.8 per cent from 6.7 per cent a month earlier. The Bush administration has been pressing the Fed for easier credit as widespread concern about a possible double-dip recession has eaten into President Bush's public approval ratings. Alan Greenspan, the Fed chairman, said the economy recently "turned demonstrably sluggish" and, like the

White House, he has laid some of the blame on a credit crunch fuelled by the reluctance of banks to lend.

The first major bank to trim its prime lending rate was J P Morgan, followed by BankAmerica, Manufacturers Hanover, Chemical Bank, Citicorp and First Chicago. The discount rate cut was the second in less than two months, prompted by persistent weak consumer confidence in the run-up to the Christmas shopping season, dwindling factory orders and falls in cars and homes sales.

A four to one vote by Fed governors showed that the central bank was more worried about economic growth than about rekindling inflation. The cut in the discount rate to its lowest since between December 1971 and January 1973 was followed by a cut in the key federal funds rate from 5 to 4.75 per cent, and a reduction in the overnight inter-bank lending rate from 8 to 7.5 per cent.

Since December, each of the Fed's five discount rate cuts has coincided with a drop in the Fed funds rate, which is set by the open market committee.

President Bush has shown signs in recent days of beginning to take notice of growing dissatisfaction among Americans about the sluggish recovery and his perceived neglect of domestic affairs. This week, his former attorney general lost an important Senate race for the Republican party when a previously unknown candidate was elected thanks to a message of economic support for the middle classes.

North Sea oil fuels UK energy surplus

By ROSS TIEMAN, INDUSTRIAL CORRESPONDENT

BRITAIN'S energy surplus widened during the quarter to end-September, according to provisional figures from the Department of Energy.

Restoration of full production at some North Sea platforms affected by safety work in the Brent field helped lift total energy production 8.5 per cent to 47.1 million tonnes of oil equivalent. However, energy consumption declined 2.1 per cent to 41.5 million tonnes.

Output of oil increased 14.8 per cent, year on year, to 24 million tonnes. Natural gas production advanced 9 per cent, but coal production declined 1.8 per cent. Output of

electricity from nuclear stations and renewable energy sources increased by 9.6 per cent.

On the demand side, consumption of coal fell most sharply, down 4.6 per cent year on year. If more nuclear power is available, electricity companies are obliged by the government to buy it, even though power from coal-fired generating plants may be cheaper.

Comparatively mild weather contributed to reduced usage of petroleum and natural gas, down 3.1 per cent and 0.9 per cent respectively, according to the energy department.

Bibby lifts payout as profits advance

By COLIN CAMPBELL

J BIBBY & Sons, the industrial and agricultural group that is 79.2 per cent owned by the Barlow Rand group of South Africa, said its balance sheet remains strong, and that it has the ability to expand by means of acquisitions.

Bibby raised £14.6 million via a one-for-ten rights issue at 132p a share in May, and mainly used the fresh cash to reduce borrowings. Gearing at September 29 was 13.3 per cent.

The group told shareholders that the speed of economic recovery, which is patchy in Britain, but is beginning to stir in America, will have a strong impact on Bibby's rate of growth this year.

Pre-tax profit for the year to end-September was £35.3 million (£33.5 million) on a turnover of £547.3 million (£548.3 million). The final dividend is raised by 0.65p a share to 6.9p a share, making 9.75p (9p) a share.

The group made a £675,000 provision as an extraordinary item to cover abortive acquisition costs, largely arising from external fees associated with the examination of one potential acquisition.

Bibby said the year's profits outcome was "highly satisfactory" considering the background of deep recession, especially in Britain where the economic decline has been far more severe, and has lasted longer than expected.

The greater European harmonisation should provide opportunities in the medium term, though Bibby said these changes need to be viewed with a degree of reserve.

The group's science products division turned in operating profits of £11.4 million (£15.6 million). The contribution from paper and converted products was £7.63 million (£3.52 million), and that from materials handling £15.4 million (£13.5 million).

Ocean Wilsons leaps to £4.7m

OCEAN Wilsons (Holdings) the investment group and Brazilian tug boat operator, has raised its interim dividend to 0.75p (0.5p) after a surge in pre-tax profits to £4.78 million in the six months to end-June (£2.37 million). Turnover was £40.1 million (£40.4 million). There was an extraordinary debit of £158,000. Earnings per share jump to 5.6p, compared with a 1.01p loss per share last time. The shares advanced by 9p to 45p.

Renewable energy projects Electricity to be generated from sewage schemes

By ROSS TIEMAN, INDUSTRIAL CORRESPONDENT

THAMES Water and North West Water are to generate extensive electricity from sewage schemes with support from the government's non-fossil fuel levy.

Their projects are among 122 detailed yesterday by Professor Stephen Littlechild, director general of electricity supply, after an announcement in the House of Commons on Tuesday.

Thames Water has received approval for 11 projects at sewage treatment works, varying in size from 7.8 megawatts to 0.24 megawatts. The generating plants will be fuelled by gas released from the sewage. Six projects proposed by North West Water, ranging

from 3.7 megawatts to 0.47 megawatts, have also been approved.

National Power, the larger of Britain's privatised generating companies, will receive support from the levy to build small electricity plants using a range of power sources.

The company's largest project is a 44-megawatt scheme at Northfield power station, Kent, which will burn rubbish. Energy from waste schemes accounts for 270 of the 457 megawatts of renewable capacity approved.

National Power is also developing two landfill gas schemes, two hydro-electric plants, and one wind-power project. Blue Circle Industries, the diversified cement manufacturer, plans landfill gas generating stations in Essex, Kent and East Sussex.

Norweb, the electricity supply company, has three similar projects and Wimpey and Tarmac, the construction groups, are also involved in schemes.

The National Grid Company has won backing for a six-megawatt hydro-electric project at Kielder, Northumbria.

Among the large number of groups that will receive support for wind power projects is Cambridge Health Authority.



Littlechild: details



David Reed: he was worried about the losses suffered by County's action

Advisers 'did not mean to mislead' over Blue Arrow

THE decision by City advisers to support the record £837 million Blue Arrow rights issue with a rescue package was not intended to mislead the market, a court was told yesterday.

David Reed, head of corporate finance at County NatWest, the merchant bank running the issue, said that the advisers' action was to help the employment agency. He told an Old Bailey jury that, at the time, he believed the rescue package was blessed by lawyers and NatWest Bank, County NatWest's high street parent.

It is alleged that advisers to the 1987 issue secretly boosted subscription for rights from 38 to 49 per cent by taking shares after the issue's deadline, and by taking shares in the subsequent placing of stock with financial institutions, to disguise the flop.

Mr Reed, aged 44, denied being dishonest at the close of

the cash call, he said he was concerned with supporting Blue Arrow, the client. The court heard that the strategy was to sell County's holding into a rising market, a plan foiled by the stock market crash of October 1987.

Mr Reed admitted he was worried about losses suffered by County's action but believed it sanctioned at the highest level. He said he was worried by a loss of reputation to his company as share prices fell — even at one stage after the issue considering resigning as he felt he would be blamed for the deal.

Earlier, on the sixth day of giving evidence to the fraud trial, Mr Reed admitted that it was decided to present the cash call to the market as a success.

He said he believed the actions were in accordance with accepted practice but now believes a late take-up of rights was wrong. Mr Reed

said the decision was to "put forward" success, but he agreed the market would have thought the "largest ever" rights issue was a success and traded accordingly. He also agreed that instead of allowing County's £130 million exposure as underwriters to make an immediate loss as a result of failure, the bank had increased its exposure to £150 million. Nicholas Purnell, QC said that as a consequence, the market had traded on a "platform" brought about by the rescue. He asked: "You misled the market?" Mr Reed replied: "I do not believe we misled the market."

County, its immediate parent NatWest Investment Bank, stockbrokers UBS Phillips and Drew Securities, and five individuals deny conspiracy to defraud. It is alleged they misled the market over the outcome of the Blue Arrow rights issue.

The trial continues today.

Castleman returns to banking

CHRISTOPHER Castleman, chairman of LIT Holdings and former head of Hill Samuel, is joining Standard Chartered to run its international merchant banking services.

The move marks his first return to the world of merchant banking since leaving Hill Samuel in 1987. He joins Standard Chartered on December 1 as executive director, financial services, a role which

will take him to Zimbabwe and to Hong Kong, where the bank's Equitor subsidiary provides safe custody and private banking services. He remains chairman of LIT, but is switching to a largely non-executive role.

Castleman, an old Harrovian, said he was "delighted" to be returning to his old territory. "It is like returning to the fold," he said. He was 39 when he took over at Hill

Samuel in 1980, becoming the youngest chief executive of a British merchant bank. He resigned seven years later over plans to merge with the Union Bank of Switzerland, and joined Blue Arrow as chief executive, resigning after three months following a clash with Tony Berry, the chairman.

He ran Hill Samuel's Australian and Johannesburg operations during the Seventies.

Soviets woo western banks as queues lengthen

FROM MARY DEJEVSKY IN MOSCOW

AS QUEUES show dozens deep outside Moscow bread shops yesterday, Lewis Preston, president of the World Bank, conceded that international assistance for the Soviet economy might have come too late. He was presenting a landmark agreement to provide the Soviet authorities with advice and assistance.

The Soviet Union's acting prime minister and senior banking officials spent the day trying to reassure foreign creditors after reports on Tuesday that Moscow might soon default on its \$68 billion foreign debt.

Ivan Silayev, who chairs the inter-republic economic committee — the country's interim government — and Anatoli Nosko, deputy head of Vneshekonombank (the foreign economic bank), said they were confident that Moscow would attract additional credits to bridge a difficult period. Mr Silayev told a meeting of Soviet and Western

businessmen in Moscow that the Soviet Union hoped to overcome its financial difficulties "in the next seven to ten days".

Mr Nosko, who started the scare by warning that the Soviet Union would be short of 1 billion roubles needed to meet repayments due this month, told reporters that Moscow was determined to meet its obligations. Although central government funds "might be insufficient to cover the sum of payments on the Soviet foreign debt completely", he said, the Soviet Union "firmly intends to continue fulfilling its foreign debt obligations".

He added that the raising of further credits would be discussed when the inter-republic economic committee met next week.

Speaking at a press conference early in the day, Mr Preston emphasised that the technical assistance agreement concluded with the Soviet Union would not help to solve the country's immediate debt problem. The \$30 million programme, he said, was for the

provision of specialist advice and training and linked to specific projects.

But he gave a warning that if the Soviet Union defaulted on repayments, its credit rating would inevitably be diminished. "It is important," he said, "that the world believes, as we do, that ultimately the Soviet Union and various other republics are creditworthy."

He added, however, a touch of hope: "If it is a question of organising a temporary suspension of interest payments, I don't think it will have a particularly serious effect."

It was suggested to Mr Preston that the World Bank, which will set up a permanent office in Moscow and send specialists to the Russian Federation, Belorussia and Kazakhstan before the end of the month, was offering assistance a little late.

He conceded that "if the world had been different, we could have been here four months ago". Moscow had applied for the bank's aid

only in July. Russell Cheetham, head of the bank's Soviet department, said that in the four months since, the bank had wasted no time. He emphasised that the government of the Russian Federation, in particular, was well on the way to setting up its own liaison groups and co-operation projects.

As Mr Preston said his delegation prepared to leave Moscow, the evidence of economic dislocation was clear for all to see. On the eve of the traditional November 7 holiday (anniversary of the Bolshevik coup in 1917), most shop shelves were bare and white bread was said to be almost unobtainable.

The monopoly bread producer, Moskhleb, said maximum production was being maintained and some observers speculated that people were buying extra bread because so little else was available.

Others believed that it was a problem of confidence, with people buying bread to freeze or bake, foreseeing a time when the price would rise or supplies would run short. Against a background of

universal shortages and predicted price increases, Gavril Popov, the mayor of Moscow, told television viewers that rationing of staple food products would begin on December 1.

He said ration coupons would be issued for bread, sausage, butter, cooking oil and eggs. Coupons would be distributed to enable residents of the city to buy these foods at heavily subsidised prices.

The introduction of rationing is expected to coincide with the general freeing of retail prices announced by Boris Yeltsin, the Russian president, last week. Mr Popov said the same staples would also be available at a network of "commercial" shops at market prices. The coupon system, however, was designed to ensure that everyone would be able to buy food.

For the past year, Muscovites have needed coupons to buy sugar, vodka and cigarettes, but they have been spared the general rationing that was introduced in many Russian cities last winter.

BUSINESS ROUNDUP

Hawker subsidiaries appeal over BTR bid

TWO majority-owned, Australian subsidiaries of Hawker Siddeley, the engineering group fighting off a £1.5 billion hostile bid from BTR, have lodged appeals with the Australian Administrative Appeals Tribunal.

Hawker de Havilland and Westinghouse Brake and Signal (Australia) are appealing against the terms of an instrument granted to BTR by the Australian Securities Commission in September, which outlines the terms upon which BTR would make a bid for the two companies. The instrument requires BTR to make a full bid for both companies after acquiring more than 20 per cent of Hawker Siddeley.

The companies are appealing because they believe the terms of the instrument are inappropriate and could threaten the position of minority shareholders. Westinghouse Brake & Signal is 85 per cent owned by Hawker Siddeley, while Hawker de Havilland is 70 per cent owned.

EC softens over aid

THE European Commission said yesterday it will create its own humanitarian aid agency to manage the growing amount of money it gives in global relief operations each year. When the agency was thought of during the Kurdish refugee crisis, Britain had its reservations because it feared the agency might try to give aid on behalf of member states, superseding all bilateral aid deals.

But since July the commission has watered down the scheme, and a spokesman said the agency "will not try and address the problem of the EC becoming an independent donor." At present the commission has about £560 million a year it can give in emergency aid without referring to the council of ministers.

Vivat unit to close

VIVAT Holdings, the fashion group, is to close down its German subsidiary, Otto Albert Bekleidungswerk, which incurred losses of £1 million in the first half of this year. The problems, according to Vivat, were the result of difficulties in external sourcing, "and also involve the management of the local company" and the strategy adopted.

Vivat said yesterday that there was no certainty that the business would have been viable in the long term. Otto Albert, which sells high-fashion casual wear, will now go into receivership at a cost of £3 million to Vivat, to be included as an extraordinary item into the 1991 accounts.

Unilever sells packer

UNILEVER is withdrawing from the packaging business with the sale of 4P Group, a German maker of folding cartons and flexible packaging. The buyer is Royal Packaging Industries Van Leer, of Amstelveen, The Netherlands, which has agreed to pay DM545 million for the company. Unilever announced earlier that it intended to sell the business.

The sale of the company represents Unilever's exit from the packaging business. 4P Group has debts and long-term liabilities of DM240 million, sales of over DM1 billion and pre-tax profits of DM68 million. Van Leer said that the acquisition of 4P Group was an important step towards achieving its annual turnover target of 6 billion guilders (£1.8 billion) by the year 2000.

Rebels to try again

DISSIDENT shareholders in Aberfoyle, the Zimbabwean trading group, are to stage a second attempt to remove the board of directors. The dissidents, backed by Kojo Owusu-Nyamekyi, a Ghanaian millionaire, narrowly failed to unseat the board last month. It was claimed that a crucial vote, which would have tipped the balance in the rebels' favour, arrived just 35 minutes too late.

Barry Trowbridge, the proposed managing director, said the rebels now had the support of 44 per cent of shareholders. An extraordinary general meeting must be held within seven weeks. Criticism of Aberfoyle has centred on the loss-making Mwenzi palm oil plantation in Zimbabwe.

Outhwaite surprised by claims

By RICHARD OUTHWAITE

RICHARD Outhwaite, the Lloyd's underwriter, told the High Court that he had not expected to receive claims for many years on the 31 "run-off" policies he wrote in 1982.

The policies reinsured other Lloyd's syndicates against high levels of claims. However, a massive wave of claims from America related to asbestosis and pollution led to losses of at least £260 million for the names on Mr Outhwaite's syndicate, 317/661. Almost 1,000 of the names are suing Mr Outhwaite's agency for professional negligence.

Mr Outhwaite said that the reinsured syndicates had been offered the safest and most expensive form of cover. Instead, they had opted for a riskier form of reinsurance cover. That showed they did not expect the flood of claims that was about to hit the Lloyd's market.

Bellway beats forecast

By MATTHEW BOND

BELLWAY, the Newcastle housebuilder, reported pre-tax profits of £9.3 million for the year to end-July, comfortably ahead of the £8.75 million forecast when a £25 million rights issue was launched by the company in April.

During the year, Bellway sold 1,518 houses, almost 11 per cent down on the year before, and the average selling price fell from £70,000 to £67,000. Kenneth Bell, the chairman, said that to describe 1991 as a challenging period was an understatement.

Despite a 16.2 per cent fall in pre-tax profits compared with last year, the final dividend has been maintained at 7p — as forecast at the time of the rights issue — to give a maintained total of 11p.

Mr Bell was cautiously optimistic. "While we would not encourage a return to the runaway inflation in house and land prices of the late 1980s," he said, "we do anticipate a return to increased volumes which a normal market will bring."

The current year had already brought some improvement, but it was not clear whether it would be maintained. "Although the market remains difficult," he said, "our sales are currently running ahead of last year." Alan Robson, finance director, said the North remained a strong market, but there were few signs of recovery in the South. "We have not got a normal market, by a long way."

The proceeds of the rights issue are being used to expand the company's land bank. In the past three months, Bellway has added 500 units to its portfolio of plots with planning permission.

These now total 6,000. Three-quarters of them are for private housing, the rest being urban renewal projects. An additional 4,000 plots are expected to receive planning consent.

Doomsday fears at MCC

Shareholders in the two quoted Maxwell flagship companies, MGN and MCC, are to see a resumption of dealings this morning. This may prove to be premature. The stock exchange would have done better to leave the suspension in force until there are answers to a mass of questions about the finances of Mr Maxwell's private and public interests.

Few men dominated their day to day working colleagues in the way that Maxwell did. Senior journalists recall meetings with him and a key finance man in his organisation who trembled most noticeably in the presence of his boss. The force of Maxwell's personality, especially when it became menacing, enabled him to run an empire that nobody but he, bankers, brokers or employees fully understood. As a result, the quoted arms of the Maxwell empire have suffered for years from a kind of blight brought on by this Max factor. It has been impossible to unravel the complex tangle of deals and relationships and chains of ownership between the Maxwell private interests and the quoted holdings.

Robert Maxwell defended the privacy of his business affairs with the utmost vigour which, in his larger than life case, was something awesome to behold. On the one occasion a serious challenge to this privacy was mounted, as part of a takeover defence by the Waddington group, Mr Maxwell, in a rare outbreak of meekness, packed his tent and withdrew from the bid.

This passion for secrecy is proving to be a troublesome part of the Maxwell legacy. So much uncertainty and rumour surrounds his companies that there now exists a real danger that prices of MCC and MGN might fall substantially if they are simply requested without further ado. The uncertainty should be dispelled, preferably by the publication of a concise statement of assets, liabilities and debt maturity profile along with salient details of relevant banking covenants.

While essential, this would not in itself be sufficient to enable normal trading in the two shares. Since large quantities of both shares were pledged by Mr Maxwell against borrowings by his private companies, the financial health of those private interests is also a material factor affecting the share price.

In theory a hideous doomsday effect becomes possible. If there should be any serious doubts about the health of the private family companies, the result would be an adverse effect on the shares of MCC and, to a lesser extent, MGN on the grounds that they may be taken into the ownership of the banks and later sold on to an uncertain market.

This share price weakness in turn can affect the quoted companies, for some of their banking covenants have a share price element built in. If the shares fall to a trigger point, the bank loans could be in default regardless of any underlying financial position.

The obvious way to avoid such dangers is in the hands of Mr Maxwell's sons who not only run MGN and MCC, but have a powerful say in the private Maxwell family affairs. To avoid all risks of the doomsday effect, bankers to all parties and shareholders in the quoted companies need full disclosure of the affairs of the family companies since they interact so strongly with those in the public domain.

This is asking of Kevin and Ian Maxwell that they open their books in a way that their father would not have countenanced. But their acceptance would be a welcome indication of a more open and conservative attitude to running the business. Their backers in both banking and among shareholders would respond warmly to such shifts in approach. But on the other hand their refusal would invite further chaos when dealings do eventually resume. The stakes are high, with over £2 billion of bank loans probably outstanding to Maxwell companies.

Chancellor balances optimism with realism to redress past mistakes

Anatole Kaletsky

assesses the maiden

autumn statement

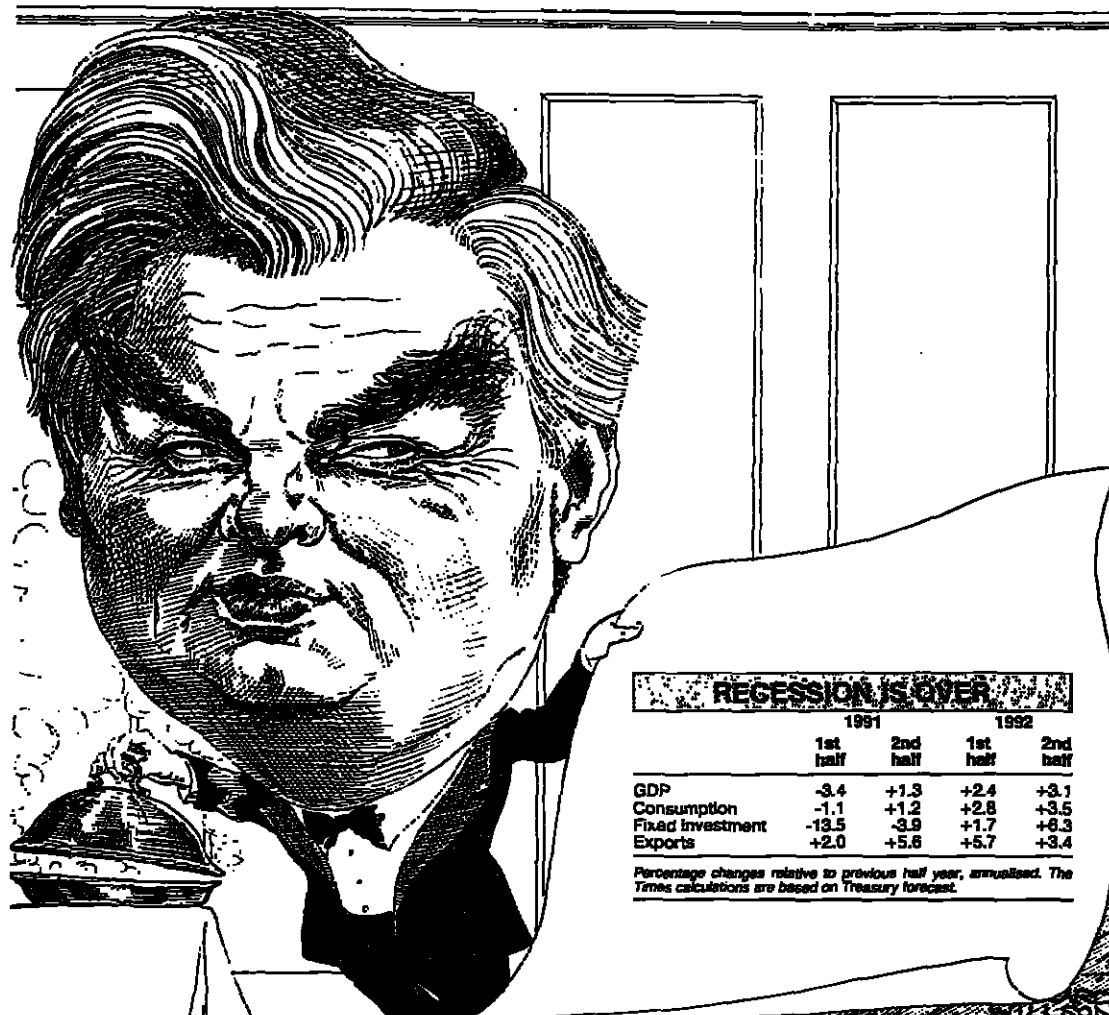
of Norman Lamont

WHAT a difference a year makes. In last year's autumn statement, John Major, who was then Chancellor, presented the country with one of the most over-optimistic Treasury forecasts on record. Although industrialists and retailers were saying that the economy had "fallen off a cliff" in the early autumn, Mr Major insisted that the recession would be the briefest and shallowest in Britain's post-war history. According to last November's Treasury forecast, a powerful investment-led economic recovery was supposed to have begun by the spring. In the second half of this year, the economy was supposed to be growing at a rate of 4.3 per cent annually, unemployment was supposed to have stabilised at about 2 million – and, presumably, Margaret Thatcher was supposed to have won her fourth general election in a row.

This brief reflection on last year's statement should serve as a cautionary tale against taking economic forecasts too seriously, especially when they are issued by governments preparing to face the electorate. Nevertheless, it would be wrong to dismiss as politically-motivated wishful thinking the generally positive predictions made yesterday by Norman Lamont: that the recession officially ended in the second quarter; that the economy would grow by 2.3 per cent next year; that unemployment would begin to stabilise from now on; and that inflation would remain subdued at about 4 per cent for the foreseeable future.

Treasury officials are almost certain that the economy has started to expand. As the Chancellor said yesterday, the service sector of the economy was already showing signs of growth in the second quarter. The third quarter gross domestic product figures, to be released in a fortnight, are almost certain to show the first rise in activity for the economy as a whole, because of a sharp pickup in North Sea oil output. By the time the figures for the present quarter are released in February, a modest revival in manufacturing should also be confirmed. With evidence that the economy is bottoming out now in its computers, the Treasury's cautiously optimistic forecasts appear more credible than those it made for the last statement.

Apart from the evidence of recovery that is already available, there are two further reasons for greater confidence this time round. Firstly, the mandarins and politicians learned bitter lessons about over-optimism after the last autumn statement. In the six months since Mr



Lamont bit the bullet and admitted the real gravity of the recession in his Budget speech, his record in charting the fluctuations of the economy has been excellent and the government's economic credibility has grown. After living down the public derision and financial scepticism engendered by the unrealistic forecasts he inherited from Mr Major, Mr Lamont made it clear to officials that he did not want to go through this embarrassment again.

Secondly, and more importantly, the Chancellor's expectations of a painfully slow economic convalescence no longer depend on Mr Major's assumptions that the bullish behaviour patterns and the supply-side miracles of the Eighties would endure into the Nineties. Instead, the Treasury is resigned to a recovery no better than the average achieved after the two economic slumps in the turbulent years from 1974 to 1982 – and much worse

than the performance usually achieved after the brief "growth recessions" of the two decades before that. As things are turning out, the Budget forecast of a 2 per cent decline in GDP this year – a forecast that most economists at the time viewed as too pessimistic – appears to have been spot on. The Treasury now estimates the fall as 2.1 per cent.

The structure of the recession now seems to have been somewhat different from the one predicted. Consumer spending is expected to fall by only 1/4 per cent this year, instead of the 1 1/2 per cent forecast in the Budget. Government spending is turning out to be considerably higher than predicted – the 1991 growth rate in public consumption is now put at 2 1/4 per cent instead of 1 1/2 per cent forecast in the Budget. These stronger-than-expected performances are being partly offset by marginally bigger falls in investment and greater imports penetration than the Treasury had forecast. However, the main dampener on the economy appears to have been a huge slowdown in industrial and retail stocks. Stock rundowns have reduced GDP by 1 1/4 percentage points, according to the latest forecast, compared with a mere 1/4 point expected in the Budget. Although Treasury officials suspect that a significant part of this apparent fall in stocks may eventually turn out to have been reduced consumption, it

	1989	1990	1991
Gross domestic product (average measure)	2	2	2
Domestic demand of which:			
Consumers' expenditure	1	2	2
General government consumption	2	2	1
Fixed investment	2	2	1
Change in stockbuilding (as % of GDP)	(-1)	(-1)	(-1)
Export of goods and services	4	1	6
Imports of goods and services	1	2	7
Non-oil GDP	2	2	2
Manufacturing output	-1	-4	3
Current account (£ billion)	-14	-6	-9
Inflation	10	4	4
Retail prices index	10	4	4
Producer output prices (4th qtr)	8	7	4
GDP deflator at market prices (fin yr)	8	6	7
Money GDP at market prices (fin yr)	555	588	631
Public sector (financial year)	-	-	-
£ billion	0	1	-
% of GDP	-	-	-

* Excluding food, drink and tobacco. % changes on previous year unless otherwise stated. * Estimates of money GDP and the GDP deflator for periods before the second quarter of 1990 have been adjusted to remove the discontinuity arising from the abolition of domestic rates.

is fairly clear that the recession has not been quite as hard on consumers and service industries as was generally suspected six months ago.

If consumers have not been tightening their belts as drastically as had been suspected, and if industrialists have completed a near-record rundown in stocks, then the demand side of the economy should now be in reasonable shape for the sort of modest recovery predicted by Mr Lamont. But what about the supply side? Will the economy begin to suck in and face the threat of a balance of payments or sterling crisis as soon as demand revives? Will the gains made against inflation endure once unemployment stabilises?

On inflation, the Chancellor has opted for realism rather than flamboyance. His admission that headline inflation would rise slightly in spring next year before falling back to end the year at about the present 4 per cent. There were no boasts in his speech about undercutting inflation in Germany. The admission of slightly higher headline inflation next year carried another suggestion – that no further significant cuts in mortgage rates could be expected in the months ahead.

On exports, the Treasury has chosen to be more ambitious and optimistic. It predicts total export growth of 6 per cent in real terms in 1992. To achieve this, non-oil exports will have to grow by 7 1/2 per cent in the year ahead. The Treasury believes this rate of export growth is perfectly consistent with sterling's present exchange rate, even though it expects worldwide trade in manufactured goods to grow by only 6 per cent. The Chancellor predicts that Britain will continue to increase its share of world export markets this year and next, maintaining a favorable trend that began in 1988.

Treasury officials insist that the slowdown in exports reported in the past few months' trade figures was nothing more than a statistical aberration and dismiss suggestions that British industry has lost competitiveness as a result of the sharp rise in relative unit costs in the run-up to membership of the European exchange-rate mechanism last year. This loss of competitiveness, which amounted to almost 15 per cent, will be reversed by Britain's low wage growth and good productivity performance, officials believe. Next year, the Treasury forecasts that Britain's unit labour costs will fall by 2 per cent, compared with a rise of 1 1/2 per cent in other leading industrial countries.

As a result of Britain's expected gains in world market share, it will be possible to buy substantially more imports (up by 7 1/2 per cent in real terms according to the forecasts) without running into a balance of payments problem. As the Chancellor said yesterday in his speech, the forecast current account deficits of £6.5 billion this year and £9.5 billion next year should be easy enough to finance – provided the Treasury's bullish forecasts of export growth turn out to be right.

THE TIMES CITY DIARY

Star at the end of the tunnel

BEFORE Eurotunnel's disgruntled contractors entered into negotiations with Sir Alastair Morton, chief executive of Eurotunnel, they should have read Linda Goodman's *Astrology Sun Signs*. Stuart Drummond, chairman of the Luncheonette Comment Club, at which Morton spoke in October, referred to the book's description of a typical Capricorn man – Morton will be 54 on January 11 – in his introduction of Morton. Morton was so impressed with its accuracy that he requested a copy. It reads: "Sir Alastair Morton is a Capricorn man. He has a self-made brick wall around him. He's shy, but he's strong and tough. He's pleasant, but he's fiercely ambitious. The stern planes of discipline demands of him calm behaviour, practical actions and serious intent. This is his cross, and it's often a heavy one to bear. Sometimes he'll cover his frustration with a brusque manner – and sometimes he'll stifle you with an unexpected and incongruous humour, although it will always be the ironic tongue-in-cheek variety."

Rodent race

TRADING ground to a halt at Goldman Sachs' \$300 million European headquarters this week after a mouse was spotted scurrying across the dealing floor. Female traders abandoned their screens and telephones at Peterborough Court, the former Daily Telegraph building on Fleet Street, and leapt on to chairs as their



"I'm worried about over expansion"

male counterparts chased the hapless rodent with umbrellas and waste-paper bins. It then came to light that there have been 15 to 20 sightings of mice in the past week. "Some of the men were kicking their trouser legs into their socks," says an informant, adding that the Japanese warrants desk succeeded in trapping one of the creatures, much to the dismay of their UK equity rivals.

In reverse

THE stock market, despite its ups and downs, is more secure than the classic car market. Ken Dalziel believes. Dalziel, who, two and a half years ago, abandoned a 20-year career selling investment trusts at Laing & Crutchfield to turn his hobby, of restoring old Jaguar cars, into a business. Admitting that his change of career was badly timed, at the peak of the classic car boom, Dalziel, aged 47, has again sought gainful employment in the Square Mile and has landed a job at Greig Middleton as an institutional sales-

man. Delighted by news of his return, his old colleagues have been reminiscing about how Dalziel regularly used to leave the office on Friday to sell one of his lovingly restored cars in The Netherlands, catching the ferry back in time for work on a Monday. "He was a real gentleman," says one former associate, who also recalls Dalziel's penchant for old-fashioned desk calculators. "You had to move the decimal point by hand and wind a handle on the side," he says.

WHAT price the American secretary? Letters handwritten by American directors are being faxed to Hong Kong to be typed by secretaries who earn a fraction of the wages earned by their American counterparts, then faxed back.

Tough talker

AMERICA'S oil barons, renowned for their tough business techniques, could meet their match later this month. Instead of picking one of their home-grown worthies, they have chosen Margaret Thatcher as the main speaker at the American Petroleum Institute's annual meeting on November 18. Mrs Thatcher, who commands a minimum fee of \$30,000 (£27,000) a speech plus expenses, thereby rivalling Ronald Reagan as the most highly paid speaker on the international lecture circuit, will address an audience including Allen Murray, chief executive of Mobil, and a number of Republican senators. By happy coincidence, the venue is the Hyatt Regency Hotel in Houston, Texas – just a quick hop away from Sam Mark and his family in Dallas.

CAROL LEONARD

Quick to take, slow to repay

From Mr A.J. Holland

Sir, Mr Richardson, press secretary to the Inland Revenue, is in general terms correct in what he says (Letters, October 30), regarding repayment of tax, due to the three-year accounting regime adopted by Lloyd's.

However, this does not mean that the Revenue are expeditious in making repayments. I have only recently received repayments in respect of Capital Gains Tax losses for 1985.

I still await 1986, 1987 and 1988. It would be reasonable to expect repayments for 1986 to be mid-1990; 1987 in mid-

1991 etc. With regard to Income Tax, when I first joined Lloyd's, tax was on average repaid a year after the accounting date. Now the average is 18 months or longer.

With the poor trading prospects for 1989, 1990 and probably 1991, when most names will have to fund losses, can Mr Richardson assure us that there will not be a further deterioration in the time taken to make repayments?

Yours faithfully,
A.J. HOLLAND,
Hungershall Park,
Tunbridge Wells, Kent.

Bank charges

From Professor Andrew Chambers

Why do not banks invoice their customers for payment?

Could it be there is an implicit cartel between the banks which prevents any from breaking ranks to implement what would undoubtedly be a popular competitive measure? Or could it be that banks, unlike other businesses, consider they would not receive payment? If so, I wonder why not?

It must be one or the other of the above reasons. Excuses about additional costs would

not ring true – other businesses invoice their customers. If it were claimed to be a matter of customer preference, bank customers would have the option of allowing banks to collect their charges by direct debit – though the banks still would be required to send invoices to their customers.

How can it be that we allow banks not to invoice us? Yours faithfully,

ANDREW CHAMBERS,
Business School,
City University,
Frobisher Crescent,
Barbican Centre, EC2.

Sanctions muddle

From Mr John Nash

Sir, Opposition to the lifting of sanctions is not a "black opposition" thing as mentioned in your October 31 report: love of sanctions is a left-wing thing. There is clearly a lot of black support for the lifting of sanctions, particularly within Inkatha, South Africa's largest political party. Press reports that cling to the old black/white apartheid rhetoric are guilty of confusion.

Most white mistrust of the ANC is now ideological rather than racial, mainly because the ANC refuses to sever close ties with the SA Communist Party; when it cuts that cord, South Africa's recovery will be much faster. Yours faithfully,
JOHN NASH,
52 Kernick Way,
Hayle, Cornwall.

Letters to *The Times* Business and Finance section can be sent by fax on 071-762 5112.

BUSINESS LETTERS

Adding value by identifying new markets

From Mr Ansel Harris

Sir, Joan Wrycroft and her sister, she tells us (Business Letters, November 1), are both elderly. She further reports that she and her sister failed to find underwear "suitable for a wedding reception"

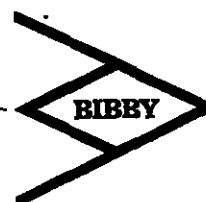
even at Marks and Spencer.

One can only admire their spirit and determination to be suitably dressed, including in their underwear (whatever that means).

I am sure that my successors, merchandise executives

at Marks and Spencer, in the light of the recently reported poor performance, will take note and realise that there is a further untapped market. Yours faithfully,

ANSEL HARRIS,
23 Ferncroft Avenue, NW3.



"...further progress has been achieved"

- Profit before tax increased by 5.3% to £35.3m.
- Earnings per share were 3.5% higher at 20.77p on enlarged capital following successful rights issue.
- Total dividend for year increased by 8.3% to 9.75p.
- Increased operating profit from Paper & Converted Products and Agricultural Divisions. Satisfactory results from Materials Handling Division. Science Products Division suffered from the depressed market conditions and intensity of international competition.
- "The company has performed well in difficult conditions and with its strong balance sheet is well placed to benefit from a sustained recovery... I am confident that further progress will be achieved this year."

Richard Mansell-Jones, Chairman.

SUMMARY OF RESULTS

YEAR ENDED 28 SEPTEMBER 1991

	1991	1990	Change
Profits before tax	£35.3m	£33.5m	+5.3%
Earnings per ordinary share	20.77p	20.07p	+3.5%
Dividend per ordinary share	9.75p	9.00p	+8.3%

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FAX 071-481 9313
071-782 7828The King's School, Canterbury
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Originally founded in 597 and situated within and around the Cathedral Precincts, King's is one of the country's leading public schools. It has some 975 pupils, 400 full and part-time staff and is a thriving and dynamic concern. 1990/91 saw the introduction of co-education and the commencement of a £4.25M building programme (including a £2.5M recreation centre for School and community use).

A Financial Accountant is required for the Senior and Junior Schools and for the trading company which encompasses shop, catering, lettings and recreation centre.

The person we seek will have had full accounting responsibility for a medium sized business unit and must have proven experience/abilities in the following areas:

- business and personal computer systems
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This challenging position is open to both men and women and offers an excellent remuneration package.

Further particulars from: The Bursar, 25 The Precincts, Canterbury, Kent CT1 2ES (Tel. 0227 475500).

Closing date for applications is 6th December 1991.

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Suitable applicants will have had previous management experience and be able to demonstrate strong motivation and commitment to meet the demands of this interesting and challenging position. Previous knowledge of the energy industry and with the futures and options business would be advantageous.

Applications in writing to:

Alastair Harris
Director of Marketing & Research
International Petroleum Exchange
International House
1 St Katharine's Way
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FOR PEOPLE WITH CEREBRAL PALSY**Director of Finance**

Substantial Remuneration Package

The Society employs some 3,500 staff and has a turnover of £65 million per annum. Working closely with Local Authorities, the Health Service, the DSS and others, it provides education, employment and care services to people with cerebral palsy and support to their families and carers.

The Society, a registered Charity and a Company Limited by Guarantee, is directed by a fifteen person Executive Council, whose members are also the Trustees of the Charity and the Directors of the Company.

An energetic, widely experienced and suitably qualified man or woman of proven competence, is now sought as its principal financial officer to bring expert advice and assistance to the Executive Council, Committees and paid Directors and Managers of the Society, so as to achieve optimum utilisation of all its resources in the provision of quality services to the Society's many clients.

Knowledge of large scale charitable work, fundraising, statutory funding procedures, the financial administration of charities and sound experience of significant property transactions is sought, allied to high level experience of the treasury, accountancy, budgetary and investment functions. Excellent communication skills are essential to work effectively and supportively with a wide range of people and activities in a geographically diverse organisation supported by many thousands of volunteers.

We welcome applications from people with disabilities.

For further details please contact Roy Limb, Company Secretary, The Spastics Society, 12 Park Crescent, London W1N 4EQ
Telephone 071 636 5020

Closing date for applications: 6 December 1991.

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We are looking for someone with the energy and vision to develop our financial, information and IT strategies and to drive our business planning. In addition to leading the Trust's finance function, you will also maximise our income potential, through the development of business and service initiatives as well as through mainstream contract income. Accountable to the Chief Executive, you will be an executive director of the Board.

This key appointment requires a qualified accountant with a record of achievement at senior level. As well as experience of dealing creatively with financial and other planning issues in a strategic context, you will be an effective communicator who has ability to motivate and to lead.

An informal open day has been arranged for interested applicants on the morning of Tuesday, 18 November 1991. Please indicate whether you would be interested in attending by telephoning Mr M. McKeown, Personnel Officer, on 0742 670222 Ext 2232.

Further details and application forms are available from Personnel Services, Weston Park Hospital, Whitham Road, Sheffield S10 2SJ. Tel: 0742 670222 Ext 2232.

Closing date for applications 25 November 1991.

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A 17 year old established firm in London dealing in foodstuff wants to enter export markets in particular Middle East. We are in look out of a professional (P.C.A. F.C.C.A. OR M.B.A.) aged 45-55 years to join us as Senior Executive responsible for L/C Business, Finance Management and Overseas Marketing etc. as duties would involve travelling applicant with extensive knowledge of Middle East Market and Arabic knowledge would be preferred. This is an equal opportunity position. Please write with your C.V. to the Advertiser Box No. 6146.

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Written applications only please, with accompanying C.V. and daytime telephone number to Nick West, Managing Partner, Anstia West Media Limited, New Premier House, 150 Southampton Row, London WC1B 5AL.

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Financial Controller

Cannons Sports Clubs (UK) Limited

Consin Lane

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Contact Angela Bayes on

071-636 7584. Eves 081-390 5826

Computer Two Thousand Limited, 11 Harley Street, London W1N 1DA. Tel 071-636 7584 Fax 071-580 3734

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220	125	Helical Bar	160	...	10.0	8.
32	25	Hemingway	39	
190	142	Herring Son	189	- 1	6.5	4.
250	225	Immun	225		3.0	

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TOBACCO							
772	599	BAT	631	+ 8	31.1	6.2	
1198	635	Redskins W	1155	+22	18.5	2.7	

TRANSPORT							
405	167	Amco Rk Ports	379	- 1	7.2	2.4	
470	326	BAA	426	- 0	13.0	4.1	
209	129	Bk Airways	129	0	8.8	5.0	
200	100	Continental (F)	99	- 1	10.0	5.0	
200	54	Danair Northwest	54	+	1	...	
200	355	Express Eastern	415	+	1	...	
200	115	Shenandoah West	134	+	1	...	
121	75	Flyer (Jamaic)	88	...	5.5	8.3	
105	75	Geary	105	...	5.5	8.3	
179	100	Hicks	179	+	4.0	3.0	
310	83	Interlink Express	308	...	6.3	3.4	
157	36	Jacobs (J)	36	...	1.0	1.0	
157	18	Lepp	19	+	2.0	0.0	

363	116	Myrtle Beach	212	+	5.0	3.1
364	117	Myrtle Beach	212	+	5.0	3.1
365	118	Ocean Grove	219	+	4.7	2.8
366	119	Ocean Grove	219	+	4.7	2.8
509	454	Malibu	509	+	30.5	8.6
509	454	Malibu	509	+	30.5	8.6
510	455	Malibu	509	+	30.5	8.6
112	84	Malibu	509	+	30.5	8.6
112	84	Malibu	509	+	30.5	8.6
544	281	Malibu	509	+	30.5	8.6
544	281	Malibu	509	+	30.5	8.6
285	206	Transwest Express	40	+	9.5	4.8
125	85	Transwest Express	40	+	9.5	4.8

WATER

409	321	Anglian Water	371	-	17.5	6.4
409	321	Anglian Water	371	-	17.5	6.4
409	321	Northampton	380	+	18.6	6.5
409	321	Northampton	380	+	18.6	6.5
370	300	Severn-Trent	328	-	17.4	7.7
367	283	Severn-Trent	328	-	17.4	7.7
367	283	Thames Water	329	-	17.5	7.7
367	283	Thames Water	329	-	17.5	7.7
367	323	Thames Water	329	-	17.5	7.7
367	323	Thames Water	329	-	17.5	7.7
430	325	Yorkshire Water	389	+	12.7	6.1
430	325	Yorkshire Water	389	+	12.7	6.1
430	325	Welsh Water	389	+	12.7	6.1
430	325	Welsh Water	389	+	12.7	6.1

* US\$M; * Price at suspension; * Ex dividend
 * Ex div. susp.; * Ex rights susp.; * Ex div. susp.

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29

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
Bates loses his way amid distractions and disputed calls

Despite suffering from a heavy cold, she defeated Brenda Schultz 6-0, 6-4. To do so, she had to overcome an intimidating service that on occasions reached 100mph. However, her experience against another big server, Sara Gomer, at Telford last week, proved useful.

RESULTS: First round: L McNeil (US) bt S McCarthy (US), 7-5, 8-3; M Paz (Arg) bt D Graham (US), 7-5, 6-3; R White (US) bt V Lake (GB), 6-2, 2-6, 6-2; M Javer (GB) bt B Schultz (Nei), 6-0, 6-4, 8-6; M Pierce (Fr) bt P.L. Harper (US), 6-3, 3-6, 7-5; S Rehe (US) bt Z Garrison (US), 6-2, 3-6.

placed by Rick Leach and Jim Pugh. Such is the strength of the American team, they can afford to leave out Jim Courier, the world No. 2.

RESULTS: First round: G Reoux (Fr) bt J Elthigh (Neth), 6-2, 5-2; M Washington (US) bt G Pozzo (It), 6-0, 7-5; T Champion (Fr) bt J Bates (GB), 6-7, 7-5, 6-1.



Pass master: Champion



battles back from the brink to a

Account for Bates yesterday

Sherwood also had the lead on Pipe when Bas De Laine won the EBF Novices Hurdle Quarter. The favourite, Mr Jamalree, led into the home straight.

Success

Biotrophite 10-6-5, Nocturn 7-8-4, Kinky
9-2-2, Miasma 10-2-2, Stay On Tracks 9-
Buckeye Boy 9-2-6, Kinky's Boy 8-4-
Prince Mattiebird 10-8-12, Mellicot Bane
3, On The Trust 9-7-7, Propaga 8-
League 9-7-10; Wimbark 8-7-2, Bol
Combat 9-5-12 (Need acceptance—five
stage).

Justice Tucker said that by its admissions policy, the school sought to give

The rape offence was severed from the indictment and the defendant pleaded not guilty given by Judge Murchie was nullified by the change in the basis on which it was made.

which the law could recognise? There were three Court of

distressed state and for the justices to embark on an investigation of their own was fatal flaw.

Court of Appeals

Tenancy bad for uncertainty

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Stress no excuse

Justice Tucker said that by its admissions policy, the school sought to give

The rape offence was severed from the indictment and the defendant pleaded not guilty given by Judge Murchie was nullified by the change in the basis on which it was made.

which the law could recognise? There were three Court of

distressed state and for the justices to embark on an investigation of their own was fatal flaw.

International Board wants speedier game

Rugby on verge of sweeping change to scoring

By DAVID HANDS
RUGBY CORRESPONDENT

THE most fundamental change in rugby union's scoring values for 99 years has been agreed by the International Rugby Football Board (IRFB) executive council. The council will recommend the adoption next year of a five-point try and a two-point dropped goal which, if accepted, will be the first time since the nineteenth century that two methods of scoring have been changed at the same time.

The proposed changes are part of a review of the game's laws made at the board's interim council meeting in London, which ended yesterday. There has been no change in points values since 1971, when the try became worth four points rather than three. The dropped goal, an integral feature of the game since its earliest days, was reduced from four to three points in 1948.

The revised package will go before the council's annual meeting in Wellington, New Zealand, next April, in the wake of a World Cup which has highlighted potential areas of change. The main motive is to speed up the game and

RUGBY POINTS

How the points scoring system in rugby union has evolved

Year	Try	Con	Pen	Dg
1890-1	4	0	0	4
1891-3	4	0	0	4
1894-1905	4	0	0	4
1906-48	4	0	0	4
1949-70	4	0	0	4
1971-91	4	0	0	4
IRFB plan	5	0	0	2

make it more attractive. The changes, had they been in force for the 1991 World Cup, would not have altered the results of any matches.

Before the moratorium on law change agreed three years ago, the motivating factor was safety and Roger Vanderfield, the council chairman and himself a doctor, expressed some satisfaction that the game appeared to have that aspect under control.

Vanderfield, a former Australian international referee, speaks for the nation which has just won the World Cup with some attractive play and which, historically, has applied the powers of positive thinking to the game's development. "The changes are born from the submission being made that the emphasis should be on cutting down time delays, to improve the relative value of the try compared with other aspects and

to improve the attractiveness of the game," he said.

Vanderfield said that more than 50 other submissions relating to 20 laws had been received before the closing date of October 31. They referred, among other areas, to the lineout, handling at the ruck and binding at the scrum. If the proposed law changes are agreed they will come into effect at the start of the 1992-3 northern hemisphere season.

Five new members of the board have been accepted: Andorra, Hungary, Luxembourg, Latvia and Chile, bringing the size of the reconstituted board to 51 countries and reflecting the growth in popularity of rugby union.

However, the council has agreed that no country should have more than three representatives on its international panel of referees. In recent years, England and Scotland have both put five men on their panels and this move follows protests in New Zealand and Australia after Ken McCartney, referred to at the time as Scotland's No. 5 official, refereed their Bledisloe Cup match in Auckland.

The former All Blacks captain, Graham Mourie, is one of 11 whose amateur status has been reinstated. Mourie was declared professional after publishing his autobiography, along with Bernie Fraser, the former New Zealand wing, John Bevan, the former Wales wing, and Keith Fairbrother, the former England prop.

REINSTATEMENTS: South Africa: C M Greenwood, New Zealand: G W Morris, B G Fraser, Wales: P C Davies, J C Bevan, S Baylis, England: K E Fairbrother, C M North, G Paul, J Phelps, W R Singleton

THE RECOMMENDATIONS

- ☐ A try to be worth five points instead of four
- ☐ A dropped goal to be worth two points instead of three
- ☐ Permitted replacements to be increased to four
- ☐ After a side has scored, the restart should be from a dropped kick
- ☐ If the ball goes into the opposing in-goal area from a kick-off and is made dead, a scrum should be awarded on halfway
- ☐ A player making a fair catch (a mark) need not be stationary
- ☐ A player carrying the ball back into his own 22 cannot gain ground by kicking direct to touch
- ☐ A quick throw-in may be taken at any point between where the ball has gone into touch and the throwing team's own goal-line
- ☐ The dummy pass from a set scrum will be penalised

Board delays cash ruling

By DAVID HANDS

ENGLAND'S World Cup finalists will have to wait yet longer before they hear whether they will be allowed to keep money raised by their Run with the Ball promotional campaign. Yesterday, the International Rugby Football Board (IRFB) meeting in London said that it required further information before deciding whether proceeds from the campaign fell within the amateur regulations.

Even though Rugby Football Union (RFU) committee members were involved in planning the campaign, which was designed to raise money for youth development as well as the national squad members, there has been sufficient prevarication to ensure that the matter is unlikely to be resolved until the board's annual meeting in April. The campaign, which was approved by the RFU, was

referred to the IRFB's standing committee on amateurism at the behest of the other three home unions. Given the time scale involved, however, it should have been possible for all the requisite information to have been gathered long before this week. The hold-up now appears to lie in access to the contract between the England players' company, Player Vision, and their commercial advisers, the Parallel Media Group.

A summary of that document was forwarded to the RFU, but Denis Easby, chairman of the IRFB's amateurism committee and a member of the RFU, said yesterday that no ruling could be given because further documents were required, principally the contract in its entirety.

"When that information is available they will review the situation again," Easby said, and it was pointed out that Bell and Thomas would make themselves available over the next ten days to see if a ruling could be reached. Even so, it would have to have the approval of the IRFB annual meeting next April. Until then, the six-figure sum accrued by the players' campaign, worth an estimated £5,000 to £10,000 to each player, will remain in a named bank account.

Brian Moore, representing the England players, said: "Obviously we are disappointed. We believe they had everything necessary. Their reluctance [to reach a decision] shows a lack of will."

Gascoigne apparently writes his own idiosyncratic medical scripts as well as footballing ones, however, and a return to the Tottenham colours in the new year cannot be ruled out.

"I think people underestimate his determination," Terry Venables, the Tottenham chief executive, said when he arrived from London at lunchtime. "We all witnessed what he could do with the FA Cup semi-final last year, when everyone had said there was no way he would be fit in time."

"And the reports we are getting on him are excellent. Specialists are a conservative lot as a general rule, they always tend to be cautious, but John Brown is very positive about him and says he should be ready before May."



Captains' conference: Nick Farr-Jones and Will Carling, who led Australia and England respectively to the Rugby World Cup final, meet during an awards lunch for the tournament yesterday. David Campese, the Australian wing, received a trophy for the 'finest moment', his semi-final try against New Zealand

Tottenham ready to hustle

From PETER BALL
IN PORTO

TOTTENHAM Hotspur will discover here tonight the true value of Gary Lineker's strike eight minutes from the end of the first leg of their European Cup Winners' Cup tie with Porto. By restoring their two-goal advantage, it offered them some security on a night which will test both nerve and skill in the Das Antas stadium.

Tottenham's younger players, who are enjoying their first season of European competition, will find opposition of the quality of Porto in their own packed, volatile stadium, will be a step into the unknown. In more ways than one, in fact, Peter Shreeves, the manager, yesterday es-

chewing the chance to give his players a feel of the pitch.

This old trading city at the mouth of the Douro has long-standing links with England and on Tuesday Shreeves discovered a new one, intense traffic congestion. The team spent one-and-a-half hours travelling the 30km from the airport to their hotel.

That trip persuaded Shreeves not to go back into Oporto yesterday to see the stadium. "We do so much travelling anyway. I don't think we need another long ride on a bus just to see the ground," he said. Instead the players trained at the local club in Espinha.

Afterwards Shreeves was able to report that Sedgley,

Samways and Stewart had all been passed fit. Bergsson, however, has joined the injury list with a sore knee, and Durie remains on it, his chest infection taking its time to clear up.

"If the game had been today, he wouldn't have made it," Shreeves reported. The extra 24 hours gives the player, who has scored in every round so far, "a 60-40 chance of playing."

In the end it is likely that Durie will play even if not fully recovered. Tottenham are aware of the importance of scoring at least once, and the Scottish international's partnership with Lineker is the best means to that end, the pair contributing 25 goals

already this season. "Gordon will have to show me that he is ready for a very tough match," Shreeves said. "But he is a key player and he has played before when not 100 per cent. Even then, he is such a tough player that he still put the work rate in and covered the ground."

If Durie does not make it, Shreeves has several options. Walsh, who "is experienced in European competition, and is English" an important consideration these days, could come in as a straight replacement.

Alternatively, Tottenham could revert to playing a five-man midfield, their formation before Durie arrived from Chelsea. Last Saturday, Shreeves had toyed with employing a sweeper before finally rejecting the idea, and he may again think about that option.

He is, however, aware that going out simply to defend could be counter-productive. It is naively romantic to suggest that Spurs' best policy could be to get involved in a high-scoring match in tune with the old tradition, a 4-2 or a 5-3 defeat seeing them through. But with Lineker and Durie, their strengths lie at the front and the evidence of the game at White Hart Lane suggests that the best way of stopping Porto is to get at them before they can get at you.

Porto are expected to start with two forwards, Andrade coming in to play alongside the Bulgarian, Kostadinov, who made a fine impression at White Hart Lane. The exciting young Toze, who threatened to change the game when he came on at half-time two weeks ago, is also expected to start.

Stopping Porto from getting into their rhythm will be very important for Tottenham. "Our intention will be to hustle them out of their passing game," Shreeves said.

Benfica's interest is safety net in Gascoigne transfer

From PETER BALL

BENFICA may have joined the list of suitors for Paul Gascoigne, but Tottenham Hotspur were toying with an even more intriguing possibility as they awaited their second round European Cup Winners' Cup match in Northern Portugal yesterday. If they survive tonight's test in Oporto, the flamboyant England midfielder player could yet line up in their colours in the March quarter-finals.

That is undoubtedly a long shot at the moment. "Paul's latest operation has put him back six to eight weeks," Peter Shreeves, the manager, said. "He is doing static quads to build up his leg, but he has not got a full range of mobility and so he is having to do those exercises which do not put a strain on his knee."

Gascoigne apparently

writes his own idiosyncratic medical scripts as well as footballing ones, however, and a return to the Tottenham colours in the new year cannot be ruled out.

"I think people underestimate his determination," Terry Venables, the Tottenham chief executive, said when he arrived from London at lunchtime. "We all witnessed what he could do with the FA Cup semi-final last year, when everyone had said there was no way he would be fit in time."

"And the reports we are getting on him are excellent. Specialists are a conservative lot as a general rule, they always tend to be cautious, but John Brown is very positive about him and says he should be ready before May."

May 31 is the deadline set

by Lazio for Gascoigne to prove his fitness. If he passes the test on that date it appears that Benfica's intervention will not change the status quo, which would see Gascoigne complete his £5.5 million transfer to the Roman club.

"As far as I am concerned, we have a deal with Lazio," Venables said. "What Benfica have said is that if the deal with Lazio should fall through, they would like to be involved. It is good to know that other people would be interested, but we haven't had any negotiations with Benfica, because there is nothing to negotiate about at the moment."

Benfica's interest gives Tottenham a valuable alternative if Lazio call off the chase for the controversial player.

S Africa accepts Olympic invite

Johannesburg — The South African Olympic Committee yesterday announced it would accept an invitation to send a team to next year's Games in Barcelona, ending 32 years of international isolation caused by its apartheid racist policies, which are now being discarded.

Sam Ramsamy, chairman of the National Olympic Committee of South Africa (Nocsa), said the acceptance would be sent immediately to the International Olympic Committee in Lausanne.

"I am happy to say that the executive committee of Nocsa has decided unanimously to send a team to the Barcelona Olympics," Ramsamy said. "This is the first time that South Africa has competed in the Olympic Games. Before only a section of South Africa did," he added.

South Africa last competed, with a whites-only team, at the Rome Olympics in 1960 and was expelled from the IOC ten years later.

Ramsamy unveiled the flag which will be used by South Africa at the Olympics, a blue, red, green and grey standard which also incorporates the Olympic rings.

"We had to go for something that would represent national unity, that would represent something that we are all going to be proud of," he said. Ramsamy said Beethoven's *Ode to Joy* from his ninth symphony would be used as an anthem for the Springbok team.

Both flag and anthem would be used for the South African Olympic team until such time as South Africa negotiated a non-racial democracy and adopted new colours and anthems.

South Africa are too late to take part in the qualifying tournaments for the Olympic team events, so the Springbok team will consist of competitors for the individual events. But a question mark still hangs over athletics, because rival movements are squabbling over a non-racial constitution — and they will not be accepted back into the international fold until they settle their differences.

But the Barcelona acceptance is bound to act as a spur to the country's divided athletics organisations.

South Africa's Olympic vice-president, Mfuleki George, said he was confident rival athletics movements would soon come to an agreement and nominate a team for Barcelona.

The International Bowling Board yesterday in Hong Kong cleared the way for South Africa's return to top-level competition at next year's men's world bowls championships in England. The board's executive committee agreed to extend the entry date for the world championships to allow the South African Bowling Association time to receive official sanction from the country's Non-Olympic Sports Congress (NOSC) which is approved by Nelson Mandela's African National Congress.

David Johnson, the secretary of the international board, said that if the NOSC gives its approval, South Africa will be allowed to compete at the world championships in Worthing, from August 8 to 24.

South Africa is a major bowls-playing nation with 70,000 members in 800 clubs. The national team last competed in the world bowls championships in 1976 in Johannesburg when it won all five gold medals. (Reuters)



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Whiteson questions wisdom of Bruno's return

By SRIKUMAR SEN
BOXING CORRESPONDENT

FRANK Bruno might not have been boxing again if it had been left to Dr Adrian Whiteson alone to decide whether or not he should be given a licence. That was the impression given by the British Boxing Board of Control's chief medical officer at a Sports Writers' Association lunch in London yesterday.

When asked whether he personally would have given Bruno, who has had two eye operations, a licence, Dr Whiteson refused to give a direct answer. He said: "Three eminent consultants and a QC argued very logically for him.

You can interpret that any way you like."

He said: "A lot of people will say he's only being allowed back because it's Bruno and who he is backed by, and a lot of money is involved. But this is just not so. He was allowed back because the three consultants and QC who supported him argued logically and sensibly and the board, in its wisdom, decided it would grant him his licence."

"The consultants have to stand or fall by what happens in the future. Frank is already a statistic, as is Gary Mason and every boxer who has sustained an injury. In future years, medical researchers



Whiteson: concern

who are going to look back on damaged eyes and hands or whatever, are going to use this as ammunition to try to ban boxing."

Dr Whiteson, who said "I am sure Frank had a long hard think before he got back in the ring", added that he was against boxers retiring and coming back to the sport.

"To come back does open the door to a lot of criticism when we are trying to keep the sport as incident-free as it is. Then we allow someone like Frank, who has had eye damage, back in."

I think, in some respects, when a boxer decides to come back, for what? I don't know. This is an adult game for adults and we all have to be responsible."

Commenting on reports that Marcos Villaseca, the World Boxing Council

featherweight champion, who arrived in Belfast last Sunday, was reported to be suffering from severe headaches, Dr Whiteson said that the Mexican would be put through a rigorous medical before being allowed to defend against Paul Hodgkinson, of Liverpool, next Wednesday in Belfast.

"We will have to determine whether he is at no greater risk than any other boxer. We have got to be certain it is a true story. We have to see the reports. If we are not happy he will not be allowed in the ring," Dr Whiteson said.

On safety measures in the ring, he said that as there was no way of preventing serious head injuries, the best safety

measure would be to get a boxer to hospital as quickly as possible.

In future he wanted the ring to be cleared after every contest to allow a medical examination, if necessary, and television interviews to be held only after boxers had been medically examined.

He also wanted inspectors to make spot checks in gyms to see boxers were not suffering injuries in sparring and following proper weight-reduction regimes.

Frank's plans, page 39